

## Director selection: overhaul needed

The NED has engaged in an extensive consultation exercise with directors on matters connected to board appointments. This was in preparation for research that has just started with managers and advisors on this topic.

It appears that director selection is a pretty random process; it often come down to who you know. Qualifications are of course important but contacts are generally even more so. Until The NED undertook its recent consultation exercise for the research study it is doing on director selection (please see page 16) we were not aware just how random selection can be.

Does something need to be done to make fund director more professional than it often is today? If so, what? The answer to the first question must surely be yes. The answer to the second question, what should be done about it, is a lot trickier. There is no obvious, simple solution. But that doesn't mean that more of an effort shouldn't be made and various different things tried.

There are four things that could be done relatively easily that might well improve the selection process a lot [Continued on page 14 >>](#)

## Time to define

**The industry needs an independent fund director working definition**

The City of London is where many fund managers – and The NED – have their offices. In the restaurants and bars around this area of town the expected independent fund director boom in the UK has been a frequent topic of discussion this summer.

These conversations have followed on from the FCA's announcement, in late June, that UK funds will have to have at least two independent directors on their boards in future. As The NED reported last month, it looks like something in the region of 500 independent directors will have to be found in the relatively near future to serve on the fund boards of the UK's £7 trillion asset management industry. (Many believe that estimation of 500 new independent directors, which came from the FCA, is far too low. The real number might well be a lot higher.)

But what is an independent fund director? This a question that The NED has asked before. There is no standard definition. It seems that independence, like beauty, is in the eye of the beholder. [Continued on page 11 >>](#)

## Contents

<b>Director selection: overhaul needed</b>	<b>1</b>
<b>News</b>	<b>2</b>
A softer line in the US	2
Greater scrutiny in the UK from directors	2
Ireland in the lead	3
Ireland reforms its limited partnership legislation	3
ADI Recognition Research	4
<b>Director DDQ breakthrough</b>	<b>5</b>
<b>Director remuneration: time for more flexibility?</b>	<b>9</b>
<b>Time to define</b>	<b>11</b>
<i>Continued from Page 1</i>	
<b>Director selection: overhaul needed</b>	<b>14</b>
<i>Continued from Page 1</i>	
<b>IFI Global event</b>	<b>18</b>
<b>Non Executive Fund Directors Database</b>	<b>20</b>

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Make cheque payable to:  
IFI Global Ltd.  
10 Arthur Street  
London EC4R 9AY

For additional information please contact Tamara Sims at [sims@ifiglobal.com](mailto:sims@ifiglobal.com)  
IFI Global Ltd, 10 Arthur Street, London EC4R 9AY Tel: +44 (0) 207 220 9077

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Editorial & research enquiries:  
**Simon Osborn** e-mail: [osborn@ifiglobal.com](mailto:osborn@ifiglobal.com)

Directory, event & subscription enquiries:  
**Tamara Sims** e-mail: [sims@ifiglobal.com](mailto:sims@ifiglobal.com)