



Setting the global standard for investment professionals

BASIC BOARD FUNCTION

The business and corporate powers of CFA Institute are exercised by, or under the authority of, the CFA Institute Board of Governors. The Board of Governors may allow certain functions, with Board oversight, to be performed by the officer of CFA Institute or committees formed by the Board. The Board is the highest governing authority of CFA Institute.

For more effective governing purposes, the Board has four committees – Executive, Planning, Audit and Risk, and External Relations and Volunteer Involvement – that are comprised of only members of the Board.

Roles and Responsibilities

1. Articulating expectations and standards related to organizational culture and the “tone at the top.”
2. Establishing the basic policies of the CFA Institute and reviewing any proposed changes to them.
3. Selecting, evaluating and developing the Chief Executive Officer.
4. Shaping and clarifying the mission and vision of the organization.
5. Shaping, approving and monitoring the strategy of the organization
6. Monitoring organizational performance of CFA Institute and ensuring accountability through the CEO.
7. Reviewing and approving the organization’s financial objectives, budget and major financial plans and actions.
8. Providing oversight of disclosure and transparency, risk assessment, internal controls and processes designed to promote legal and ethical compliance.
9. Enhancing the reputation of the organization.
10. Assessing and improving the Board’s own effectiveness.
11. Promote positive working relationship and communications with members and member societies.

Overview of Governors’ Commitment

Each Governor is elected by the CFA Institute membership for a three year term from 1 September to 31 August. The Board typically has four in-person meetings a year, with at least two meeting outside North America. The meetings usually last 2 to 2 1/2 days in length and are held where there is a major airport hub whenever possible. In addition to membership on the board each Governor is assigned to one of the Oversight Committees of the Board. These Committees meet between board sessions usually by telephone. The frequency of the committee meetings vary according to the function of the committee, but a Governor should expect at least one telephone conference a month.

Governors are encouraged to attend CFA Institute seminars and meetings held in their locale and to act as “good will” ambassadors for CFA Institute and the CFA Program with employers, regulators and the public. As time permits, Governors are also encouraged to participate with local CFA Institute societies in their activities. Governors are covered by a Code of Conduct, must disclose any conflicts of interest and are subject to a background check by the CFA Institute General Counsel. Board members are covered by D&O insurance in the amount of \$30 million and by indemnification to the maximum extent allowed by law. Governors are not compensated for their time, but reasonable travel expenses are reimbursed.

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MEETINGS REQUIRING GOVERNOR ATTENDANCE

Annual Meeting of Members

Purpose: To vote on Governor nominees, vote on whatever other business is put before the membership, and to hear annual report of the Chair, President, and Treasurer.

Timing: In conjunction with May Board meeting and the CFA Institute Annual Conference.

Board Meetings

Purpose: To conduct the business of governing CFA Institute.

Timing: November, February, May, and July in person. Via conference call or special in-person at the direction of the Chair or a majority of the Board.

Oversight Committees

Purpose: To frame issues for discussion and approval by full Board.

Timing: In conjunction with regular Board meetings. Via conference call or special in-person at the direction of the Committee Chair or a majority of the committee.

Planning Retreats

Purpose: To review the CFA Institute mission and identify issues and possible strategic direction for Planning Committee and, ultimately, Board discussion and approval.

Timing: As needed.