



Employee Code of Conduct

GENERAL STATEMENT OF BUSINESS PHILOSOPHY

The commitment to excellence is fundamental to the philosophy of CFA Institute. This commitment means that employees share a common set of objectives and benefit from the achievement of those objectives. One essential objective is our conviction to uphold ethical standards in all our corporate activities. The purpose of this Code of Conduct is to strengthen the CFA Institute ethical climate and to provide basic guidelines for situations in which ethical issues arise.

It is the policy of CFA Institute to comply with all applicable laws, including, without limitation, employment, discrimination, health, safety, antitrust, securities and environmental laws. No executive or manager of CFA Institute has authority to violate any law or to direct another employee or any other person to violate any law on behalf of CFA Institute.

Each employee of CFA Institute is, and will be held, responsible for the observance of this Code of Conduct. If any person has questions about any section of this Code of Conduct, he or she should direct all questions to his or her immediate supervisor, the CFA Institute Compliance Officer, Human Resources, or the Office of General Counsel.

POLICIES AND PRACTICES

- **Employee Handbook**

Each employee of CFA Institute must be familiar with and abide by the CFA Institute Employee Handbook. The Handbook sets forth CFA Institute policies on a wide range of issues that arise in the course of employment. For guidance on any issues not addressed in this Code, employees should refer to the Handbook. Employees should contact their supervisor or the Human Resources Department if they have any questions concerning a specific Handbook policy.

- **Conflicts of Interest**

Employees have an obligation to avoid actual or potential conflicts of interest with their CFA Institute employment. A conflict of interest may exist when you or a member of your family are involved in activities that may impact the employee's ability to conduct CFA Institute business fairly and impartially. A conflict may be actual or perceived and could result in

personal or professional gain for that employee or persons close to them. For the purposes of this policy, family members include an employee's spouse, children, parents, siblings, grandparents or grandchildren; the parents, children or siblings of the employee's spouse; or any other person whose association with the employee is similar to any of these relationships.

An employee's participation in the CFA or CIPM Programs, or that of any family members or friends, can also create a potential or perceived conflict of interest or advantage. Employees must consult their supervisor and Human Resources prior to enrolling in either program and must disclose any family member or friend participating in the programs.

Business dealings with outside firms should not result in unusual gains for CFA Institute or the outside firm. Unusual gains refer to bribes, product bonuses, special fringe benefits, unusual price breaks, or other windfalls designed to ultimately benefit the employer, the employee, or both. Anything that could be interpreted to involve an unusual gain requires disclosure and CFA Institute Management Committee approval.

Employees with any influence over CFA Institute business with outside firms must disclose to their supervisor and the Compliance Officer any relationships with the firm and any personal gain to the employee or persons close to him. Disclosures should be made as soon as possible so that safeguards can be established to protect all parties. Personal gain may result not only in cases where an employee or an employee's family member has a significant ownership in a firm with which CFA Institute does business, but also when an employee or an employee's family member receives any kickback, bribe, substantial gift (e.g., all-expense paid vacation, weekend getaway, etc.) or special consideration as a result of any transaction or business dealings involving CFA Institute.

- **Gifts**

Business gifts and entertainment can build goodwill between companies. However, gifts and entertainment can also create a perception of a conflict of interest and can undermine an employee's duty to act in the best interests of CFA Institute at all times. Employees who have questions regarding this policy or who are uncertain as to whether a conflict of interest exists should confer with their supervisor and the Compliance Officer.

Employees must not accept gifts, services or any other benefit valued at more than \$250 from any individual, company, or organization that has a business relationship or affiliation with CFA Institute. Gifts of cash, stocks, loans or similar items must not be accepted at any time and should be returned immediately. If the value of a gift is undetermined, it should be returned. Gifts of any value must never be solicited. Employees may accept reasonable and

appropriate business entertainment such as dining or sporting events if the purpose of the event is to hold business discussions or to foster better business relations.

Employees may also accept promotional items without significant value and which are distributed routinely. In some international business transactions, it is customary and lawful for business leaders in a host country to give gifts to CFA Institute employees. Because refusing the gift could offend the host, such gifts may be accepted. If the gifts are valued at more than \$250, they must become the property of CFA Institute.

- **Use of CFA Institute Property and Information**

All employees are responsible for the proper use of CFA Institute physical resources, property and proprietary and other confidential information. Further guidance on the use of CFA Institute resources, property and confidential information can be found in the Employee Handbook.

- **Trademarks, Service Marks and Copyrights**

Trademarks and service marks – words, slogans, symbols, logos or other brands used to identify a particular source of goods or services – are important business tools and valuable assets. No employee may negotiate or enter into any agreement regarding CFA Institute trademarks, service marks or logos without first consulting the Office of General Counsel. CFA Institute also respects the trademark rights of others and any proposed name of a new product or service must be submitted to the Office of General Counsel for clearance prior to its adoption and use.

- Employees must avoid the unauthorized use of copyrighted materials of others. Reproducing, distributing or altering copyrighted materials without permission from the copyright owner is illegal and may result in litigation, fines and penalties. Most materials found on the internet are copyrighted and employees should confer with the Office of General Counsel if they have any questions regarding using copyrighted materials.

- **Political Involvement**

Employees are free to exercise the right to make political contributions within legal limits, unless such a contribution is otherwise prohibited by other policies of CFA Institute. CFA Institute will not reimburse any employee for political contributions, and employees should not attempt to receive or facilitate such reimbursements. Generally, no contribution may be made with the expectation of favorable government treatment in return. Any political activity or contribution by an employee which might appear to be an endorsement or contribution by CFA Institute must be approved in advance by the Compliance Officer. Employees must not use CFA Institute resources to seek any public office and must not solicit contributions on CFA Institute property.

Contacting government agencies or legislative bodies and certain advertising and public relations activities may be considered lobbying and may have reporting or financial consequences to CFA Institute. The rules governing such activities are quite complex; please consult with the Office of General Counsel for guidance.

- **Securities Laws**

Employees must not trade in any securities based on inside information. Insider trading is the purchase or sale (or providing information to someone else for their purchase or sale) of a publicly traded security while in possession of important, non-public information about the issuer of the security and is prohibited by the securities laws. When in doubt, information obtained as an employee of CFA Institute should be presumed to be important, not public and should not be acted on.

- **Antitrust/Fair Competition Laws**

As a general rule, antitrust laws prohibit competitors, customers and suppliers from restricting trade or seeking to create or maintain a monopoly on a certain market. Examples include agreements to set prices, divide territory or markets, or boycott certain customers. Employees and other representatives of CFA Institute must not engage in any behavior that violates antitrust laws and must be alert to avoid even the appearance of such conduct. In the United States and some other countries, violations of antitrust laws can lead to substantial fines and criminal convictions of both corporations and individuals. Any questions concerning a specific situation should be directed to the Office of General Counsel before taking action.

- **International Operations**

When conducting business in other countries, it is imperative that employees be sensitive to foreign legal requirements and United States laws that apply to foreign operations, including the Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act makes it unlawful to give anything of value to foreign government officials, foreign political parties, party officials, or candidates for public office for the purpose of obtaining or retaining business for CFA Institute. Employees should contact the Compliance Officer or the Office of General Counsel if they have any questions concerning a specific situation.

- **Accounting and Financial Records**

CFA Institute must abide by generally accepted accounting principles (GAAP) and control procedures to ensure the complete and accurate reporting of all financial transactions. All employees, within their areas of responsibility, are expected to adhere to these procedures. No employee may interfere with or seek to improperly influence, directly or indirectly, the auditing of CFA Institute financial records. Violation of these provisions shall result in

disciplinary action, up to and including termination, and may also subject the violator to substantial civil and criminal liability.

Any accounting adjustments or financial transactions that materially depart from GAAP must be approved by the Audit Committee and reported to CFA Institute independent auditors. Any employee who is aware of any arrangement, relationship, or financial transaction not reported in the financial statements that he or she believes will have a material effect on the organization's financial condition, reported financial results, or its resources, is obligated to report the issue to Finance or Management.

- **Former Government Employees**

Many laws restrict hiring as an employee, or retaining as a consultant, a government employee other than secretarial, clerical, or similar employees. These restrictions also cover informal arrangements for prospective employment under certain circumstances. Therefore, written clearance must be obtained from the Compliance Officer before discussing proposed employment with any current government employee and before hiring or retaining any former government employee who left the government within the past two years.

COMPLIANCE WITH THE CODE OF CONDUCT

All employees have a responsibility to understand and follow this Code of Conduct. Every employee must annually certify that he or she has read this Code of Conduct and to the best of his or her knowledge is in compliance with all its provisions. In addition, all employees are expected to perform their work with honesty and integrity in any areas not specifically addressed by the Code of Conduct. A violation of this Code of Conduct may result in appropriate disciplinary action including the possible termination from employment with CFA Institute. Nothing in this Code of Conduct prohibits or restricts CFA Institute from taking any disciplinary action on any matters pertaining to employee conduct, whether or not they are expressly discussed in this document. The Board of Governors of CFA Institute has the exclusive responsibility for the final interpretation of the Code of Conduct. The Code of Conduct may be revised, changed or amended at any time by the Board of Governors of CFA Institute.

REPORTING SUSPECTED NON-COMPLIANCE

- **General Policy**

CFA Institute has established the position of Compliance Officer. CFA Institute expects its employees to bring to the attention of their supervisor, the Compliance Officer, or the Human Resources department information about suspected violations of this Code of Conduct, the Employee Handbook, or any law by any CFA Institute employee. Employees

who have information about suspected improper accounting or auditing matters should bring it to the attention of their supervisors and/or a member of the Audit Committee of the CFA Institute Board of Directors (who are identified on the CFA Institute intranet site), or submit an anonymous complaint to the Compliance Officer. Employees are required to come forward with any such information, without regard to the identity or position of the suspected offender. CFA Institute will treat the information in a confidential manner (consistent with appropriate evaluation and investigation) and will seek to ensure that no acts of retribution or retaliation are taken against anyone for making a report.

Because failure to report criminal activity can itself be understood to condone the crime, we emphasize the importance of reporting. Failure to report knowledge of wrongdoing may result in disciplinary action against those who fail to report.

- **Complaint Procedure**

Notification of Complaint – Information about known or suspected violations by any employee should be reported promptly. Whenever practical an employee should do so in writing.

Investigation – Reports of violations will be investigated under the supervision of the Compliance Officer or Human Resources department, as appropriate. Employees are expected to cooperate in the investigation of reported violations.

Confidentiality – The Compliance Officer will not, to the extent practical and appropriate under the circumstances to protect the privacy of the persons involved, disclose the identity of anyone who reports a suspected violation or who participates in the investigation. Employees should be aware that the Compliance Officer, and those assisting him or her are obligated to act in the best interests of CFA Institute, and do not act as personal representatives or lawyers for them.

Protection Against Retaliation – Retaliation in any form against an individual who reports a violation of this Code of Conduct or of law, even if the report is mistaken, or who assists in the investigation of a reported violation, is itself a serious violation of this policy. Acts of retaliation should be reported immediately and will be disciplined appropriately.