



GOVERNANCE COMMITTEE CHARTER

Purpose

The purpose of the Governance Committee (the “Committee”) of the Board of Governors (the “Board”) of CFA Institute is:

- To oversee the Board, committee and Governor evaluation process;
- To develop, review periodically and recommend amendments to CFA Institute’s corporate governance practices, processes and structures, as reflected in the articles of incorporation, bylaws, governance guidelines, committee charters, delegations of authority, job descriptions for Governors and officers who serve on the Board, and other relevant policies, practices and procedures;
- To consult with the Chair of the Board of CFA Institute (the “Board Chair”) as to Board committee leadership and composition;
- To evaluate the performance of the Board Chair and provide feedback to the Board Chair as to his or her performance; and
- To provide oversight of the governance policies relating to its engagement with members.

Membership

The Committee shall be composed of a minimum of three Governors appointed by the Board.

Each member of the Committee shall be independent in accordance with the applicable rules and standards of the New York Stock Exchange and any independence guidelines of CFA Institute that apply to members of the Committee.

The Board’s Vice Chair shall serve as the presumptive Chair of the Committee (the “Chair”) or the Board may appoint a member of the Committee to serve in such capacity.

Meetings

The Chair shall preside at meetings of the Committee and shall set the agenda.

The Committee shall meet as often as deemed necessary or appropriate, in its judgment, to discharge its duties and responsibilities. Meetings of the Committee may be held in-person and/or via telephonic or electronic conference, and at such times and places as the Committee determines. A majority of the members shall constitute a quorum. If a quorum is present, a majority of the members present shall decide any matter brought before the Committee. The Chair may call a meeting of the Committee upon due notice to all other members at least one month prior to the meeting as standard practice and at least 48 hours prior to the meeting for more urgent matters. Notice by electronic mail shall be sufficient notice. The Committee may also act by written consent signed by all of its members.

The Committee, acting through its Chair, may ask any officer of CFA Institute to attend a meeting of the Committee or for such person to meet with advisers to the Committee.

Duties and Responsibilities

In addition to carrying out any other responsibilities delegated to the Committee by the Board, the Committee shall:

- Review information and take appropriate action with respect to Board practices and Board culture, including but not limited to training, orientation, operations and effectiveness;
- Oversee the process for evaluating the performance of the Board, Board committees and individual Governors, and prepare and report to the Board the results of such annual evaluations;
- Evaluate annually the performance of the Board Chair in fulfilling the requirements of the Board Chair job description, and provide feedback to the Board Chair regarding the results of his or her performance evaluation;
- Determine whether a Governor is independent each year after reviewing relevant facts and circumstances;
- Make recommendations to the Board as to approval, mitigation and management of conflicts of interest arising with respect to any Governor, in accordance with the Code of Conduct for CFA Institute Governors and the CFA Institute Conflict of Interest Policy;
- Develop, review periodically and recommend amendments to CFA Institute’s corporate governance practices, processes and structures, as reflected in the articles of incorporation, bylaws, governance guidelines, committee charters, delegations of authority, job descriptions for Governors and officers who serve on the Board, and other relevant policies, practices and procedures;
- Any modification to the Bylaws regarding the Board’s size, composition and Governor tenure;
- Consult with the Board Chair as to the leadership and composition of each committee of the Board, with such appointments to be approved by the Board;
- Review and recommend to the Board for approval, proxy statements that are distributed to CFA Institute members, and provide oversight of the governance policies relating to its engagement with members;
- Periodically review the governance of CFA Institute Research Foundation (Research Foundation), appoint Governors to serve as ex-officio members of the Research Foundation Board of Trustees, and provide oversight of Research Foundation operations through the agreement with CFA Institute;
- Provide oversight of the implementation of and adherence to the US Public Company Standards that the Board has resolved to adopt for CFA Institute.
- Periodically review the role of the Presidents Council Representatives (“PCRs”) with respect to CFA Institute’s corporate governance, and provide oversight of CFA Institute’s engagement with the PCRs;
- Evaluate and monitor the social, political and environmental trends, issues, concerns, legislative proposals and regulatory developments that could significantly affect the public affairs of CFA Institute; and
- Form and delegate authority to sub-committees and working groups when and as the Committee deems appropriate.

Authority to Engage Advisers

The Committee has authority to retain advisers when it deems appropriate and shall have authority to approve fees and terms of retention, without the prior permission of the Board or management, and shall be provided the necessary resources for such purpose.

The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any adviser the Committee retains. To the extent required by applicable rules or policies, the Committee shall conduct an independence assessment, taking into consideration any factors the Committee deems relevant to the adviser’s independence from management, prior to selecting or receiving advice from such adviser.

Reporting Relationships

The Committee shall:

- Report regularly to the Board on Committee findings and recommendations, and maintain minutes or other records of Committee meetings and activities.

Self-Evaluation

The Committee shall:

- Conduct an annual self-evaluation of the performance of the Committee, including a review of the adequacy of this Charter annually, and recommend to the Board such amendments as the Committee deems appropriate.

Executive Liaison

The management liaison to the Committee is the Chief Legal Officer or his or her designee.