PEOPLE and CULTURE COMMITTEE CHARTER

Purpose

The purpose of the People and Culture Committee (the “Committee”) is to carry out the responsibilities delegated by the Board of Governors (the “Board”) of CFA Institute relating to the following items which are focused on building organizational capability and ensuring the organization is viewed as an Employer of Choice in the markets in which we operate:

1) Review output of the annual Talent Review producing a robust succession plan and high potential slate ensuring the organization has top talent in critical roles and internal talent pipelines are being developed with a focus on enhancing organizational capability;
2) Provide oversight of compensation policies, programs and related plans, with an emphasis on those pertaining to the executive officers of CFA Institute;
3) Review annual goals, performance against those goals and recommend compensation of the President and Chief Executive Officer (the “CEO”) and Chief Compliance Risk and Ethics Officer (the “CCREO”);
4) Review compensation recommendations for all key executives named in the 990 filing;
5) Review annual development plans of executive officers and discuss retention issues for this group and other critical talent in the organization;
6) Discuss key activities focused on evolving employee engagement and organizational culture;
7) Discuss any people-related issues (labor practices, EEO activity, executive separation events, etc) that may create risk for the organization. Depending on the level of risk associated, these issues may also be reviewed by ARC.

These matters, and all other matters discussed by the committee will be executed in accordance with and subject to the Bylaws of CFA Institute, as such Bylaws may be amended from time to time (the “Bylaws”). For purposes of this Charter, the term "executive officers" refers to the officers and managing directors in the positions for which compensation disclosure is included in the annual proxy statement to members.

Membership

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 Committee shall consist of at least four Governors, including the Chair, Vice Chair, and two at large Governors who ideally have compensation experience. The at-large Governor appointment shall serve as a member of the Committee for a period of time that is desirable to better foster continuity of the committee.

The Past Chair of the Board or at-large Governor shall serve as the Committee’s Chair (the “Chair”).
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, but at least once per year. Meetings of the Committee may be held in-person and/or via telephonic or electronic or video 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 48 hours prior to the meeting. Notice by electronic mail shall be sufficient notice. The Committee may also act by written consent signed by all of its members.

The Committee, through its Chair, may invite such executive officers of CFA Institute to its meetings, or to meetings with the Committee’s advisers, as the Committee deems appropriate. However, the Committee shall meet regularly without such members of management present, and in all cases executive officers shall not be present at Committee meetings at which their compensation or performance is discussed.

The Committee shall meet at least annually with the CEO of CFA Institute and any other executive officers the Committee deems appropriate.

Duties and Responsibilities of the Committee

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

- CEO, CLO and CCREO of CFA Institute are considered “Board Reporting Executives.” For the CEO, the Committee shall annually review and approve the goals and objectives prior to the start of the fiscal year. At the end of the performance period, the Committee shall evaluate CEO performance by weighing in the organization’s overall performance, and progress toward strategic objectives in addition to individual performance. CEO compensation shall be recommended by the Committee and approved by the Board. Performance evaluation for the CLO will be done jointly by the Board Chair and CEO, whereas the performance evaluation and compensation decision for the CCREO will be done jointly by the committee chair of the Audit and Risk Committee (the “ARC”) and CEO. CCREO compensation shall be reviewed by the Committee and approved by the Board. CLO compensation shall be determined by the CEO and reviewed by the Committee, along with the compensation recommendations of all key executives named in the 990 filing. The CEO shall keep the Committee informed of the decisions regarding CLO and CCREO.
- Review annually the development plans, goals, and objectives applicable to the executive officers of CFA Institute and other key employees of CFA Institute as jointly determined by management and the Committee other than the Board Reporting Executives, and discuss with the CEO at least annually the CEO’s performance evaluations for such executive officers and other key employees of CFA Institute as jointly determined by management and the Committee and the CEO’s related compensation determinations for each such executive officer’s participation;
- Consult annually with the ARC on all performance metrics for risk assessment review purposes and potential external auditor disclosure. The Committee will provide approval on the release of executive incentive payouts once the CCREO has provided confirmation on the successful clearance of the year-end audit.
- Delegate authority to the CEO and Head of Human Resources to administer and amend CFA Institute’s compensation plans, policies and programs as appropriate as it relates to employees that are not executives.
- Approve the projected aggregate expense of merit increases and incentive amounts for employees of CFA Institute;
• Review and discuss with CFA Institute’s management the disclosures to be made regarding CFA Institute’s compensation plans, policies, programs or practices;
• Develop and recommend to the Board for approval a succession plan covering the office of CEO and other executive officer positions of CFA Institute as the Board or Committee deems appropriate (the “Succession Plan”), review the Succession Plan at least annually with the CEO, develop and evaluate potential candidates for the office of CEO and, if applicable, other executive officer positions of CFA Institute and recommend to the Board any changes to, and any candidates for succession under, the Succession Plan;
• Gauge the competitiveness of executive officer compensation at CFA Institute, and ensure that a comparative compensation study is conducted every other year by an independent, global and world-recognized consulting firm;
• Communicate all relevant decisions and actions by the Committee to the Managing Director of Human Resources of CFA Institute.

Authority to Engage Advisers
The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of the Committee’s duties and responsibilities as set forth in this Charter. The Committee shall set the compensation and oversee the work of the compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisers as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation and oversee the work of its outside legal counsel and such other advisers. The Committee shall receive appropriate funding from CFA Institute, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisers. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisers to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

In retaining or seeking advice from compensation consultants, outside legal counsel and other advisers, the Committee must take into consideration the applicable independence factors specified in the New York Stock Exchange Listed Company Manual.

Report and Self-Evaluation
The Committee shall:

• Report regularly to the Board on actions taken and significant matters reviewed by the Committee, and maintain minutes or other records of Committee meetings and activities.
• 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.
• Be responsible to the Board for its activities.

Executive Liaison
The management liaison to the Committee is the Managing Director of Human Resources.

Effective 18 September 2019