

Board of Governors Meeting

Summary Notes

4-5 November 2022

London

Attendees:

- **Board of Governors (In Person):**
Marshall Bailey, Alexander Birkin, Daniel Fasciano, Banji Fehintola, Marg Franklin, Mei Gao, Heinz Hockmann, Punita Kumar-Sinha, Mark Lazberger (Chair), Geoffrey Ng, Tricia Rothschild, Maria Wilton.
 - **Board of Governors (Via Zoom):**
Joanne Hill, Yimei Li.
 - **Presidents Council Representatives (PCRs):**
Jennifer Garbowicz (Chair), Pieter van Putten (Vice Chair), Shirley Ogden, Jason Lee, Peter Varga, George Chen, Mahmoud Nawar, Greg Filbeck.
 - **Leadership Team Present:**
Paul Andrews, Marty Colburn, Steven Hendry, Andrew Rome, Sheri Littlefield.
 - **Others Present:**
Joseph Lange (Secretary), Tina Sapsara, Anne O'Brien, Shambi Dalal-Patel, Claude Hoffmann, Diane Nordin, Corey Cook, Julia Bonafede, Jon Stokes.
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1. Opening Remarks

Board Chair Mark Lazberger opened the plenary session, welcoming all participants and asking for any conflicts of interest. None were reported. He acknowledged outgoing Governors and welcomed incoming representatives.

2. Committee Reports

- **Audit & Finance Committee (AFC):**
Discussion focused on including sustainability disclosures in financial statements. Global tax issues and currency strength were monitored, with the FY23 budget approved by the committee.
- **Nominating Committee (NC):**
Initial meetings covered board composition and the role of the Chair. Future meetings will address parameters for board structure and leadership.
- **Governance Committee (GC):**
Feedback from board surveys was discussed, and compliance training for governors was planned for 2023. The Society Engagement Working Group (SEWG) report was also reviewed.

- **Investment Subcommittee (IsC):**
Active managers were interviewed with an ESG focus. The subcommittee will continue with passive management for traditional asset classes.
- **People & Culture Committee (PAC):**
Focused on DEI metrics and improving internal promotions. Employment costs decreased, and the organization continues to refine compensation policies.
- **Society Partnership Advisory Council (SPAC):**
SPAC discussed in-person Society Leadership Conventions (SLCs) and emphasized the importance of collaboration between CFA Institute and societies.

3. CEO Report

CEO Marg Franklin stressed the importance of in-person engagement. A new operating model is in place, with C-level executives meeting frequently. Salesforce reports were integrated to improve business forecasts, and a focus on professional learning product distribution is underway. Efforts to increase certificate programs are ongoing, with positive feedback on the pivot to modular learning.

4. COO Report

Marty Colburn updated the Board on the sale/leaseback of the Charlottesville office and the launch of the e-commerce utility. The Salesforce platform is being cleansed and managed by an administrator in India, with all websites moving to the Higher Logic platform for better integration with professional learning. The Board requested high-level updates on technology development.

5. CFO Report

Steven Hendry presented FY22 actuals, noting lower-than-expected revenues due to deferrals and disciplined spending. Prometric exam costs were highlighted, and remote proctoring is being considered as an alternative. The Board discussed the financial outlook and the implications of the potential sale of the Charlottesville office, emphasizing clear communication with members.

6. Presidents Council Chair Report

Jennifer Garbowicz outlined proposed changes to the Presidents Council structure, including stronger governance processes and clearer role definitions. The Board supported these changes to improve effectiveness and collaboration between societies and the Institute.

7. Society Engagement Working Group (SEWG) Report

The SEWG, assisted by consultant Claude Hoffmann, presented recommendations to clarify relationships between CFA Institute, societies, PCRs, and the Board. The Board agreed to take more time to discuss the proposal and revisit the issue in Q2.

8. Global DEI Update

Sarah Maynard updated the Board on the expansion of the DEI Code, with 25 firms signing on. Efforts are underway to ensure continued momentum while adapting to local laws and cultures.

9. Professional Learning (PL) Update

The focus remains on certificate programs, with a strong go-to-market plan for the Investment Foundations program in 2023. The Board emphasized the need for clearer communication regarding CFA Institute's traditional learning and new PL offerings.

Resolutions Passed:

- Approval of recommendations from the Standards of Practice Council on changes to the CFA Institute Code of Ethics and Standards of Professional Conduct for public comment.
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Meeting adjourned.