

Association for Investment Management and Research

**BOARD OF GOVERNORS
MEETING MINUTES
5 December 2002
Via Conference Call**

Notice: 19 November 2002

Governors Present: Theodore R. Aronson, CFA Amaury Jordan, CFA
Thomas A. Bowman, CFA Cheryl-Ann E. Lister, CFA
Dwight D. Churchill, CFA Janet T. Miller, CFA
Frank C. Dohn, CFA George W. Noyes, CFA
Denise M. Farkas, CFA John C. Stannard, CFA
Khalid Ghayur, CFA Malcolm M. Trevillian, CFA
Monique E.M. Gravel, CFA Donald W. Trotter, CFA

Governors Absent: Robert E. Angelica, CFA Emilio Gonzalez, CFA
Jeffrey J. Diermeier, CFA Yoshiharu Okazaki, CFA
Vincent Duhamel, CFA Philippe A. Sarasin, CFA

Also Present: Raymond J. DeAngelo, Senior Vice President, Stakeholder
Services and Global Relations, AIMR
Robert R. Johnson, CFA, Senior Vice President, Curriculum and
Examinations, AIMR
Joseph P. Lange, Corporate Secretary, Office of General Counsel,
AIMR
Jan R. Squires, CFA, Vice President, Examinations, AIMR

Materials
Distributed

Prior to Meeting: Notice of Meeting
Level II Exam Format Resolution
AIMR Board Meeting Minutes - 8 November 2002
AIMR Conflict of Interest Policy

Chair: Dwight D. Churchill, CFA

Meeting Secretary: Joseph P. Lange

Meeting Minutes

The meeting minutes of 8 November 2002 were unanimously approved by the Board.

Conflict of Interest Policy

The Board was informed that it was AIMR policy for each governor to sign an annual conflict of interest statement to be kept on file with the Corporate Secretary. It was explained that the statement may need amended language to note that a governor's primary responsibility was to their business.

Proxy Issues

The Board noted the possibility of having write-in candidates for governor included on the proxy. A discussion followed regarding how to present the Board's position to the membership and reference the 1994 AIMR proxy design as an example. The Board emphasized the need to include in the proxy statement an explanation of the process that the Nominating Committee undertakes in recommending a candidate slate to the Board for approval and submission to the membership for a vote. It was explained that candidates are elected by a plurality vote of the membership.

Level II Examination Format

As a follow-up to the presentation and discussion the Board had at its meeting in November, the Board reviewed the issues surrounding the proposed change to the format of the Level II Examination. The resolution language to approve the change was amended by the Board. The Board resolved to allow the use of item set up to 100 percent, however, reserved the right to continue to use essay questions. It was emphasized that the potential issues of perception with regards to the format change needed to be properly addressed. The following resolution passed with one abstention.

RESOLVED, that the AIMR Board of Governors authorize the Council of Examiners to adjust the format of Level II of the CFA Examination to be up to 100 percent item set effective with the 2005 exam administration.

Communicating the Level II Examination Format Change

The Board discussed the plans for communicating the Level II Examination format change. Several different approaches and timelines were presented to the Board for feedback. It was stated that a clear and concise message explaining the reasoning for the change, which was to preserve and protect the integrity of the examination, needed to be conveyed to AIMR's constituencies. Potential methods for delivering the message would be through the AIMR Web site, the new AIMR e-newsletter to members, an announcement to society leaders and presentations at society regional meeting, a letter to examination graders, and the new CFA Magazine. In the spirit of transparency and timeliness, the timeline for publicizing the Board decision would be determined by the Executive Committee.

Nominations Review Task Force

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The Board was informed that a task force was being established to review the extra large societies nominations proposal.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Joseph P. Lange
Corporate Secretary

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