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**BOARD OF GOVERNORS
MEETING MINUTES
20 July 2007
Charlottesville, VA**

Notice: 11 July 2007

Governors Present:

Pierre Cardon, CFA	George W. Noyes, CFA☎*
Jeffrey J. Diermeier, CFA	Nicola Ralston, FSIP
Vincent Duhamel, CFA (Chair)	Brian D. Singer, CFA
Margaret E. Franklin, CFA	John C. Stannard, CFA, FSIP
Emilio Gonzalez, CFA	Jose Luis Velasco, CFA
Monique E.M. Gravel, CFA	Ashvin P. Vibhakar, CFA
James E. Hollis, CFA☎*	Thomas B. Welch, CFA
Samuel B. Jones, Jr., CFA	Teong Keat (T.K.) Yap, CFA
Daniel S. Meader, CFA	

Governors Absent: Alida Carcano, CFA Stanley G. Lee, CFA

Incoming Governor Present: Mark J.P. Anson, CFA☎* Jeffrey D. Lorenzen, CFA

Presidents Council

Representatives

Present:

Terence E. Burns, CFA	Ralph Lehman, CFA (Incoming)
Kathleen C. Chrisman, CFA	Todd Parker Lowe, CFA (Chair)
Marla L. Harkness, CFA	Richard Mak, CFA
Helmut Henschel	Jeffrey Matthias, CFA
Jan Jackrel, CFA	Joni K. Pierce, CFA
Attila Koksál, CFA	

Also Present:

C. Jeannie Anderson, Associate General Counsel, CFA Institute
Michael K. Dalton, Managing Director, Information Technology, CFA Institute
Raymond J. DeAngelo, Managing Director, Member & Society, CFA Institute
Margaret M. Eisen, CFA, Managing Director, Marketing and Communications, CFA Institute
Barbara L. Higgins, Chief Planning Officer and Head, Registration and Event, CFA Institute
Robert R. Johnson, CFA, Managing Director, Education Division, CFA Institute
Rahul Keshap, Associate General Counsel, CFA Institute
Christine J. Krecek, Strategic Planning Administrator, CFA Institute
Joseph P. Lange, Corporate Secretary, CFA Institute

☎ Participated via Telephone

* Present for Part of Meeting

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Peter B. Mackey, CFA, Head, CFA Examinations, CFA Institute
William P. McKeithan, General Counsel, CFA Institute
Timothy G. McLaughlin, CFA, Managing Director and Chief Financial Officer,
Finance and Corporate Support, CFA Institute
Thomas R. Robinson, CFA, Head, Educational Content, CFA Institute
Kurt N. Schacht, CFA, Managing Director, CFA Institute Centre for Financial
Market Integrity
Jan R. Squires, CFA, Managing Director, Asia Pacific Operations, CFA Institute
Guy P. Williams, Head, Finance and Risk Management, CFA Institute

Materials

Distributed

Prior to Meeting: CFA Institute Board Binder

Materials

Distributed

At the Meeting: Educational Committee Structure PowerPoint
CFA Institute Centre Update: Summer 2007
Proposed FY 2008 Budget PowerPoint
Revised Consent Agenda

Chair: Vincent Duhamel, CFA

Meeting Secretary: Joseph P. Lange

Presidents Council Representatives Report

The chair of the Presidents Council Representatives (PCRs) provided a few brief remarks to supplement his written report. It was noted that the PCRs were very appreciative to the Board for adding director and officer insurance for societies. The managing director of the Information Technology group of CFA Institute recently met with the PCRs to demonstrate improvements made to the website and email availability that should benefit societies. The Board was informed that the PCRs have appointed Carole Cox, CFA, to serve on the Board Nominating Committee for a two-year term to replace Bill Warnke, CFA, who is rolling off.

India Litigation Update

The Associate General Counsel briefed the Board on the latest litigation developments taking place in India. Progress has been made in arranging meetings with the All India Council for Technical Education and the Ministry of Human Resources Development to discuss the current situation. The organization continues outreach efforts with the Embassy in India and employers in India. Counsel is monitoring very closely legislation (CFA Bill) that the Institute of Chartered Financial Analysts of India has proposed.

CE Task Force Update

The head of the Educational Content group presented the proposed plan to restructure the educational committees. The CE Task Force was tasked to review the volunteer committee structure that informs ongoing development of relevant and timely educational content. In order to deliver a holistic lifelong

learning program, CFA Institute recently realigned the Education Division such that all educational efforts come under one umbrella. The Education Division is recommending a similar alignment of the existing committee structure to assist the Educational Content/Products areas in maintaining the investment body of knowledge and delivering educational content that members and candidates value.

The primary committee governing educational content under this proposal would be the Education Advisory Committee, which would be an expanded version of the Candidate Curriculum Committee. The CE Task Force and Planning Committee have reviewed and endorsed the proposal.

The Board discussed the realignment plan and the resulting volunteer impact. The following resolution was passed unanimously.

RESOLVED, that the Board of Governors endorses the Education Division's proposed plan to restructure the educational committees to better align committee input on content and products with the lifelong learning needs of CFA Institute members and candidates.

CFA Institute Centre Report

The managing director of the CFA Institute Centre for Financial Market Integrity discussed its recent activities. It was noted that the Centre had received approximately 150 press references over the course of the last 12 months. The following key industry topics were highlighted:

- *Short-Termism* - Partnering again with the business roundtable.
- *Asset Manager Code* - Addressing the hedge fund issue.
- *Corporate Governance Manual* - New topic additions to be included such as executive compensation, sustainability issues, and subjects involving investor needs.
- *Comprehensive Business Reporting Model* - New accounting model to be released.
- *Self-Regulatory Organizations (SROs)* - Soon to be released study on the consolidation of exchanges and markets and the issue of what happens with self-regulation.
- *Financial Market Integrity Index* - Published three different reports on the financial market integrity surveys done with our members.
- *Pension Trustee Code* - Involved in the development of a code of conduct for members of a pension scheme governing body.
- *Ethics Training Program* - Conducting in-house ethics training, approximately 50 programs to date.

Asia Pacific Strategic Plan Report

The managing director of the Asia Pacific Operations presented the proposal to reconfigure CFA Institute regions. Management has evaluated options for revising the regional office configuration in Asia to address the rapid candidate growth and significant opportunities and challenges in the region. Because of the region's extreme diversity in both culture and geography, a single regional office in Hong Kong is no longer sufficient to address the demands of the region. The proposal is to divide the current Asia Pacific and Europe, Africa, and Middle East operating regions into three regions:

- A new West Asia /Africa region, with an office located in Mumbai.
 - To include the following member societies in India, Pakistan, Sri Lanka, Bahrain, UAE, Jordan, Lebanon, Egypt, Mauritius, Saudi Arabia, and South Africa.

- A modified Pacific Basin region (including mainland China), with the office continuing to be located in Hong Kong.
 - To include the following member societies in Korea, Japan, Hong Kong, Philippines, Thailand, Malaysia, Singapore, Indonesia, Sydney, Melbourne, and New Zealand.
- A modified Europe region, with the office continuing to be located in London.
 - To include the following member societies in Austria, Belgium, Bermuda, Bulgaria, Cyprus, Czech, Denmark, Finland, France, Germany, Hellenic, Hungary, Ireland, Italy, Luxembourg, Netherlands, Poland, Romania, Russia, Spain, Sweden, Switzerland, Turkey, and United Kingdom.

The Hong Kong regional office will continue to oversee the remaining Asia Pacific region but will be modified to enable greater focus on China and on employer outreach in the sub-regions. Indicators of market opportunity and constituent size strongly support increase and more localized attention to India and China. Modest increases in new Level I candidate enrollments would generate sufficient net revenues to cover the additional investments to implement the proposal.

The Planning Committee reviewed the proposal twice and made suggested revisions that were incorporated. The Planning Committee endorsed the proposal.

Helmut Henschel, PCR for EMEA-West, expressed his reservations and concerns with the reconfiguration plan. The Board proceeded to discuss the proposal with the following resolution passed with one abstention.

RESOLVED, that the Board of Governors accept and approve the reconfiguration of CFA Institute regional office presence substantially in the form submitted.

FY 2008 Budget Report

The chair of the Planning Committee provided commentary and noted their support of the proposed budget. The Chief Financial Officer highlighted certain aspects of the budget and made reference to the materials presented in the board binder. It was explained that the Planning Committee went through the budget in detail prior to this meeting. One of the objectives explained this year was to tighten the business planning process. It was reiterated that CFA Institute does not operate the organization strictly by budget because that would require the timing of all project business plans to come together in June or July.

The Board discussed the budget with the following resolution passed unanimously.

RESOLVED, that the Board of Governors accept and approve the fiscal year 2008 CFA Institute Operating and Capital Budget substantially in the form submitted.

Consent Agenda

The consent agenda consists of informational, reoccurring, and procedural matters that come before the Board. The following resolutions were passed unanimously.

FY2007 Executive Committee Members

RESOLVED, pursuant to Article 7.2(b)(i) of the CFA Institute Bylaws the Board of Governors appoint the following governor(s) to serve as a member of the Executive Committee for a one (1) year term commencing 1 September 2007.

Emilio Gonzalez, CFA
Brian D. Singer, CFA
Vincent Duhamel, CFA
Jeffrey J. Diermeier, CFA
John C. Stannard, CFA, FSIP
Margaret E. Franklin, CFA
Thomas B. Welch, CFA
George W. Noyes, CFA

FY2008 Volunteer Committee Chairs

RESOLVED, that each of the following persons are elected to serve as indicated on the committee and, if applicable, in the indicated position set forth opposite their name for a one (1) year term commencing 1 September 2007 and until their successors are chosen and qualified:

Council of Examiners
Chair: James G. Jones, CFA
Disciplinary Review Committee
Chair: Marilyn Robinson-Irvin, CFA
Annual Conference Committee
Chair: Peter Jarvis, CFA
Financial Analysts Seminar Board of Regents
Chair: Walter V. Haslett, CFA
Corporate Disclosure Policy Committee
Chair: Gerald White, CFA
Standards of Practice Council
Chair: Toshihiko Saito, CFA
Private Wealth Advisory Committee
Chair: Gayle Buff, CFA
North American Investment Performance Committee
Chair: Neil Riddles, CFA
Retirement Investment Policy Council
Chair: Peter Mackey, CFA

Signatory to the London Bank Account

RESOLVED, that the Board of Governors accept and approve that Steven Wellard, in his capacity as Director, Marketing and Public Relations, EMEA shall be added as an authorized signatory on the CFA Institute account listed below:

London Checking Account HSBC Bank Account # 01409018

Society Intervention, Dissolution and Reconstitution Processes

RESOLVED, that the Board of Governors accept and approve the Member Society Intervention, Dissolution and Reconstitution Processes substantially in the form presented.

Professional Development Committee Recognition

RESOLVED, that Board of Governors recognizes the contribution of the members of the Professional Development Committee in helping CFA Institute develop and implement its voluntary continuing education program. The Board wishes to thank the members of the Committee for their dedication and service.

Aubert, Francois E.
Cabat, Dragos, A., CFA
Gojny, Dirk, CFA
Graham, Kathleen
Ito, Keisuke, CFA
Lakatos, Susan, CFA
Lamb, Deborah
Mellman, George S., CFA
Moulton, Stephen P., CFA
Rebello, Rohit, CFA
Robertson, Ian, CFA
Schapiro, Katherine, CFA
Stavetski, Edward J.
Streatfield, Michael P., CFA
Swanson, Pat H., CFA
Thompson, Brad F.D., CFA
Willenbrock, Alan F., CFA

Research Foundation Trustee Elections

RESOLVED, that Vincent Duhamel, CFA, is authorized to vote on the behalf of CFA Institute as the sole Voting Member of the Research Foundation at its annual meeting of members;

FURTHER RESOLVED, that Vincent Duhamel, CFA, is authorized to vote for the approval of Thomas M. Richards, CFA, and Francis Longstaff, CFA, each to serve as an Elected Trustee for a three (3) year term commencing 1 September 2007; and

FURTHER RESOLVED, that Vincent Duhamel, CFA, is authorized to vote on such other matters that may be presented at the above noted meeting, and to waive any notice of meeting requirements.

The following matters were informational only and presented in memorandum format in the board binders:

- o FY 2008 Oversight Committee Members

Audit and Risk Committee
John C. Stannard, CFA, FSIP (Proposed Chair)
James E. Hollis, CFA
Samuel B. Jones, Jr., CFA
Daniel S. Meader, CFA

External Relations and Volunteer Involvement Committee

Margaret E. Franklin, CFA (Chair)
Brian D. Singer, CFA
Vincent Duhamel, CFA
Nicola Ralston, FSIP
Jeffrey D. Lorenzen, CFA – CFA Program Liaison
Pierre Cardon, CFA
Jeffrey J. Diermeier, CFA

Planning Committee

Thomas B. Welch, CFA (Chair) – CFA Program Liaison
Alida Carcano, CFA
Emilio Gonzalez, CFA
George W. Noyes, CFA
Stanley G. Lee, CFA
Teong Keat (T.K.) Yap, CFA
Mark J.P. Anson, CFA
Jeffrey J. Diermeier, CFA

- Governor Appointment to the Nominating Committee – Teong Keat (T.K.) Yap, CFA
- Financial Report (Quarterly Update)

Recognition of Retiring Governors

The Board recognized retiring governors for their involvement and service with the organization. The following resolution was passed unanimously.

RESOLVED, that the Board of Governors for CFA Institute expresses its most sincere appreciation to Monique E.M. Gravel, CFA, and Jose Luis Velasco, CFA, for outstanding leadership, significant sacrifice of time and effort, and exemplary spirit of dedication and purpose in advancing the profession during their terms as governors on the CFA Institute Board.

Recognition of Retiring Presidents Council Representative

The Board recognized retiring PCR for her involvement and service with the organization. The following resolution was passed unanimously.

RESOLVED, that the Board of Governors for CFA Institute expresses its most sincere appreciation to Kathleen C. Chrisman, CFA, for outstanding leadership, significant sacrifice of time and effort, and exemplary spirit of dedication and purpose in advancing the profession during her term as President Council Representative.

Future Board Meetings and Key Event Dates

The Board noted upcoming meeting and key event dates through July 2008.



At this time, the Board meeting went into *Executive Session*.

Respectfully submitted,

Joseph P. Lange
Corporate Secretary

BOG Open Session Meeting Minutes 20 7 07.doc