



Setting the global standard for investment professionals

**BOARD OF GOVERNORS
MEETING MINUTES
29 August 2007
Conference Call**

Notice: 17 August 2007

Governors Present: Alida Carcano, CFA Stanley G. Lee, CFA
Pierre Cardon, CFA Daniel S. Meader, CFA
Jeffrey J. Diermeier, CFA Nicola Ralston, FSIP
Margaret E. Franklin, CFA Brian D. Singer, CFA
Emilio Gonzalez, CFA Ashvin P. Vibhakar, CFA
Monique E.M. Gravel, CFA Thomas B. Welch, CFA
James E. Hollis, CFA Teong Keat (T.K.) Yap, CFA
Samuel B. Jones, Jr., CFA

Governors Absent: Vincent Duhamel, CFA (Chair) John C. Stannard, CFA, FSIP
George W. Noyes, CFA Jose Luis Velasco, CFA

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

Presidents Council Representatives Present: Kathleen C. Chrisman, CFA Todd Parker Lowe, CFA (Chair)
Helmut Henschel Ralph Lehman, CFA (Incoming)
Attila Koksál, CFA Jeffrey Matthias, CFA

Also Present: Raymond J. DeAngelo, Managing Director, Member & Society, 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
Christine J. Krecek, Strategic Planning Administrator, CFA Institute
Joseph P. Lange, Corporate Secretary, CFA Institute
William P. McKeithan, General Counsel, CFA Institute

Materials Distributed Prior to Meeting: Meeting Agenda
Work Experience Process Resolution
Work Experience Determination Memorandum dated 19 July 2007
Work Experience PowerPoint
Appointment of Education Advisory Committee / Executive Advisory Board
Chair Resolution

Appointment FY 2008 Audit and Risk Committee Chair
Executive Committee Guidance to the Nominating Committee FY 2008

Chair: Emilio Gonzalez, CFA

Meeting Secretary: Joseph P. Lange

Work Experience Process

The External Relations and Volunteer Involvement Committee (ERVIC) Chair provided background on the work experience process. ERVIC was tasked with reviewing the process for evaluating work experience in the membership application process. It was determined that the process is consistent and fair, but that the standard for acceptable work experience as defined needed further review because the definition was too narrow. In July 2007, CFA Institute was to implement the final revisions to the work experience requirements as approved in the Gravel report in 2003. Concerns were expressed by the Board, ERVIC, and the Management Committee that as of July 2007 when the grandfather clause lapses and applicants are held to a much tighter standard, that the organization would lose potentially well-qualified members and CFA charterholders.

CFA Institute staff was tasked with developing a broader case (set of rules and internal policies by which acceptable work experience is assessed) for acceptable work experience. The following new operational definition was proposed for acceptable work experience.

- For work experience to be acceptable, an individual must provide work experience of at least 48 months spending a majority of time either:
 1. Directly involved in investment decision-making process; or
 2. Engaged in responsibilities and/or producing a work product that informs or adds value to that process.

ERVIC reviewed and endorsed the proposed case at its 19 July meeting. The Board was requested to adopt the following recommendations:

- Broaden the operational definition of acceptable work experience for Regular membership in CFA Institute, as required for award of the CFA Charter, to reflect the diversity in the global investment industry;
- Clarify the work experience requirements; and
 - Better forms, collect better information from applicants
 - Better transparency for the requirements and the assessment process
- Communicate the revised requirements for acceptable work experience.
 - Communications plan to be developed for existing and potential candidates, members, societies, and employers
 - Continued importance of society role in membership process

It was noted that the work experience process would be reviewed every three years by the Audit and Risk Committee (ARC) and ERVIC. The following resolution was passed unanimously.

RESOLVED, that the Board of Governors accept and approve the recommended case for determining acceptable work experience, substantially in the form submitted, and in accordance with the membership requirements as specified in the CFA Institute Bylaws.

Appointment of Executive Advisory Committee / Executive Advisory Board Chair

In July, the Board approved the restructuring plan of the educational committees to better align committee input on content and products with the lifelong learning needs of members and candidates. The Board is requested to approve Matthew H. Scanlan, CFA, as Chair of the Executive Advisory Board of Education Advisory Committee. The following resolution was passed unanimously.

RESOLVED, that the Board of Governors accept and approve the appointment of Matthew H. Scanlan, CFA, as Chair of the Executive Advisory Board of Education Advisory Committee for a one (1) year term commencing 1 September 2007 and until his successor is chosen and qualified.

Appointment of Audit and Risk Committee Chair

In April, the Board approved the appointment of Ashvin P. Vibhakar, CFA, as the incoming Chair of the Audit and Risk Committee. However, with his resignation to join the staff of CFA Institute the Board is requested to approve the appointment of John C. Stannard, CFA, FSIP, to serve in the capacity as Chair of ARC for fiscal year 2008. The following resolution was passed unanimously.

RESOLVED, that the Board of Governors accept and approve the appointment of John C. Stannard, CFA, FSIP, as Chair of the Audit and Risk Committee for a one (1) year term commencing 1 September 2007 and until his successor is chosen and qualified.

Executive Committee Guidance to the Nominating Committee

The Vice Chair presented the Executive Committee guidance to the Nominating Committee for fiscal year 2008. Background on what is being looked for in a governor candidate was highlighted to the Board. The governors were requested to provide candidate recommendations to the Nominating Committee.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Joseph P. Lange
Corporate Secretary