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**BOARD OF GOVERNORS
MEETING MINUTES
16 December 2009
Conference Call**

Notice: 30 November 2009

Governors Present: Saeed Al-Hajeri, CFA Alan M. Meder, CFA
Mark J.P. Anson, CFA John D. Rogers, CFA
Kay Ryan Booth Jane Shao, CFA
Pierre Cardon, CFA Brian D. Singer, CFA
Samuel B. Jones, Jr., CFA Roger Urwin
Stanley G. Lee, CFA Thomas B. Welch, CFA (Chair)
Jeffrey D. Lorenzen, CFA Charles J. Yang, CFA
Daniel S. Meader, CFA

Governor Absent: Margaret E. Franklin, CFA

Presidents Council

Representatives

Present: Richard A. Clemens, CFA Ralph Lehman, CFA
Sharon Criswell, CFA John Robert Pugh, Jr., CFA
Thomas Joski, CFA Nanci Morris, CFA
Attila Koksál, CFA Mohammad Shoaib, CFA

Also Present: C. Jeannie Anderson, General Counsel, CFA Institute
Robert R. Johnson, CFA, Senior Managing Director, CFA Institute
Joseph P. Lange, Corporate Secretary, Office of General Counsel, CFA Institute
Timothy G. McLaughlin, CFA, CPA, Managing Director and Chief Financial
Officer, Finance and Corporate Support, CFA Institute
Jonathan Stokes, Head, Standards of Practice, CFA Institute*
Guy P. Williams, Head, Finance and Risk Management, CFA Institute*

Materials

Distributed

Prior to Meeting: Meeting Agenda
Changes to Standard III(A)
Long-Term Facilities Plan
Commercial Real Estate Needs Assessment
Audit and Risk Committee Goals and Objectives FY2010
Audit and Risk Oversight Responsibilities FY2010
External Relations and Volunteer Involvement Committee Objectives and
Milestones FY2010
Brief Planning Committee Update
Planning Committee Objectives and Milestones FY2010

* Present for Part of Meeting

Corporate Governance: Effectiveness and Accountability in the Boardroom
Kellogg School of Management
Directors Education and Certification Program UCLA Anderson School of
Management

Meeting Chair: Thomas B. Welch, CFA

Meeting Secretary: Joseph P. Lange

Change to Standard III(A) of the Code and Standards

The chair of the Board, Tom Welch, CFA, noted that the Standards of Practice Council had completed its review of the Code and Standards and proposed a clarification change to remove the last sentence of Standard III(A). The Board was requested to approve the change at this time so that the 10th edition of the Standards of Practice Handbook can be incorporated into the 2011 CFA Program. The following resolution was approved unanimously.

RESOLVED, that the Board of Governors accept and approve the change to Standard III(A) of the Code and Standards substantially in the form presented.

Long-Term Facilities Plan

The president and CEO, John Rogers, CFA, summarized the Leadership Team's review and analysis of CFA Institute's office space needs in Charlottesville, Virginia. Ten years ago, the organization moved into the Fontaine facility. Growth has since doubled at that location and was currently at capacity. In addition, CFA Institute utilizes two other offices located at River Road and was currently seeking additional space in Charlottesville to decompress the Fontaine office and to eliminate one of the River Road locations. The current lease option at Fontaine expires in 2014 with an additional five year extension through 2019. The landlord, University of Virginia, has expressed interest in developing its research park at Fontaine to a medical focus.

Not a lot of office space currently exists in Charlottesville to accommodate current or future needs of the organization and the desire to place all staff at one location. The Board was being asked to give management the green light to move forward and develop a formalized proposal that evaluates whether to lease or own its next main office space in Charlottesville that best fits strategic, operational, and financial objectives of the organization, including formalization of the required investment. It was expected that a recommendation would be brought before the Board in May 2010.

The Board discussed the matter and office location. The CEO emphasized that in planning new office space the potential for future expansion needs would be factored in and highlighted the importance of maintaining CFA Institute's presence in Charlottesville. Alan Meder, CFA, stated he would like to see current vs. future project operating costs included in the proposal. Dan Meader, CFA, commented that everyone should be mindful that the design of the facility will reflect upon the CFA brand and the image of the organization being global. The following resolution was approved unanimously.

RESOLVED, that the Board of Governors endorses management's plan to address office space requirements in Charlottesville, Virginia, with a final proposal to be completed by May 2010.

Rogers suggested that the Board assign a governor liaison to interact with management on proposal developments. Welch stated that it would be discussed at the next Executive Committee meeting.

Oversight Committee Reports

The chairs of the following oversight committees commented on recent activities.

Audit and Risk Committee (ARC)/Kay Booth

- Selected the external financial auditor for fiscal year 2010.
- Completed review of fiscal year 2009 audited consolidated financials.
- Has completed a significant portion of ARC annual activities.
- Jan Squires reviewing the IT strategic plan and internal audit. ARC's involvement with the IT strategic plan was to oversee implementation and ensure necessary resources were in place.

External Relations and Volunteer Involvement Committee (ERVIC)/Alan Meder, CFA

- Reviewed the Centre's organizational placement and has recommendation to present to the Board in Seoul.
- Managed Status update.
- My CFA update.

Planning Committee (PC)/Jeff Lorenzen, CFA

- Developing guidance on risk associated with member dues and expenses. Noted that inflation issues should be considered when reviewing dues levels.
- Reviewing the history of additional designation discussions held by the Board. Drafting three to five guiding principles so that management can move forward on additional credentials.
- Discussed the new reality matter in terms strategic and cultural issues and the risk tolerance of the Board.
- Candidate enrollments higher than projected.
- Formalizing the strategic score card.

Director Education Programs

Lorenzen recently attended a UCLA Anderson School of Management Directors Education program and provided feedback to the Board. He noted that the program was very good but attendance was primarily for-profit.

Charles Yang, CFA, gave an overview of the Kellogg School of Management Corporate Governance program he recently attended. Overall he thought the program was a good experience; however, would have liked more global issues addressed and focus on not-for-profit organizations.



At this time, the meeting was adjourned.

Respectfully submitted,

Joseph P. Lange
Corporate Secretary

BOG Meeting Minutes 16 December 09.doc