

Board of Governors Meeting

Summary Notes

10-12 February 2022

Video Conference Call

Attendees:

- **Board of Governors Present:**
Alexander Birkin, Marshall Bailey, Daniel Fasciano, Marg Franklin, Joanne Hill, Heinz Hockmann, Punita Kumar-Sinha, Mark Lazberger (Chair), Yimei Li, Karina Litvack, Geoffrey Ng, Diane Nordin, Tricia Rothschild, Maria Wilton.
- **Presidents Council Representatives Present:**
Ashraf Bava, Aaron Brown, John Carter, George Chen, Greg Filbeck, Joshua Howard, Mahmoud Nawar, Shirley Ogden, Ming Shu, David Smith, Pieter van Putten, Peter Varga.
- **Leadership Team Members Present:**
Chris Ainsworth, Paul Andrews, Marty Colburn, Steven Hendry, Peg Jobst, Sheri Littlefield, Barbara Petitt.
- **Others Present:**
Michael Collins, Stephanie Ennaco, Joseph Lange (Secretary), Anne O'Brien, Katelynn Rosson, Randi Tolber.

1. Opening Remarks

Board Chair Mark Lazberger welcomed the attendees and gave an overview of the agenda. Conflicts of interest were requested but none were reported.

2. CEO Report

CEO Marg Franklin provided insights into candidate data, stating that deferrals had led to lower exam pass rates, impacting demand for the CFA Program. It was anticipated that pass rates would return to historical norms by FY2023. Franklin emphasized the need for scenario analysis to better prepare for the future and outlined plans to launch another SPARK campaign to boost demand after the May registration window closes.

3. Presidents Council Chair Report

Aaron Brown and Joshua Howard emphasized the need for the society model to focus on metrics that incentivize societies toward the CFA Institute's mission. It was acknowledged that society funding communications should address both strategic and operational components.

4. Q2 Committee Reports

Committee chairs presented the Q2 reports, highlighting the need for improved forecasting of fixed versus variable expenses and better clarity in some governance structures. The Society

Engagement Working Group was supported by an external consultant. The governance committee acknowledged that the Board had authority to amend bylaws if necessary, regarding the CEO's charterholder requirement.

5. Society Operating Model and Funding Request

Randi Tolber presented the society operating model and funding request. While budget reductions were anticipated, they were expected to be moderate. Societies were expected to manage their budgets responsibly, balancing virtual and in-person experiences to deliver member value.

6. COO Report

Marty Colburn, Chief Operating Officer, provided updates on the organization's operational strategy. He explained that computer-based testing had not significantly affected revenue. Colburn discussed the importance of enhancing the learning ecosystem and reviewed the ePMO's effectiveness in tracking strategic investments. The Leap Frog program, which allows juniors to sit for the Level I exam, had gained momentum, and the organization was considering expanding eligibility further.

Meeting adjourned.