

Overview of the Board of Governors

General

The Board of Governors is the highest governing authority of CFA Institute. It is responsible for overseeing the organization's vision, mission, and strategy and provides leadership through a policy-based approach. The Board is composed of 14 members, which includes the President and CEO and 13 other governors who serve in a volunteer capacity. They are from eight countries: Australia, Canada, China, Germany, India, Malaysia, the United Kingdom, and the United States.

Roles and Responsibilities

The Board is responsible for oversight of the following key areas of CFA Institute:

- Our business and operations, including ongoing assessment and management of risk;
- Performance of our strategic, financial, and operating goals and their implementation;
- Our compliance, including the integrity of our financial reporting and disclosures;
- Talent management, including evaluating, compensating, and succession planning; and
- Effective governance structures and processes, including Board composition and renewal.

Risk Oversight

The Board, directly and through the Risk Committee (RC), has responsibility for overseeing risk management. This oversight includes assessing whether our risk governance framework and guidelines and the policies and processes for monitoring and mitigating risk used by management are adequate for their purpose.

Strategic Oversight

Our strategic plan is developed by management in consultation with the Board of Governors and then submitted for Board approval. Management is responsible for implementing the strategic plan, and the Board receives reports on the plan's implementation at every Board meeting, as well as between meetings. This affords both the Board and management the opportunity to assess whether the plan is being implemented effectively and whether changes in the plan or its implementation may be desirable.

Talent Management and Succession Planning

The Board reviews the company's succession strategy and talent pipeline for key roles to ensure the organization is focused on the development and retention of key talent necessary to support the corporate strategy. Governors frequently interact with senior leaders as part of the Board's succession oversight to deepen their knowledge of and relationships with key talent.

Risk and Compliance

Commitment to a high standard of ethical conduct is essential to our core philosophy and culture. The Board, directly and through the Risk Committee (RC), oversees the operation of our risk and compliance framework. The General Counsel and Chief Legal Officer serves as the Chief Risk and Compliance Officer for the organization and reports dually to the CEO and the Board.

Information Security and Data Privacy

Protecting our customers' privacy and confidentiality in their digital transactions with CFA Institute continues to be a priority. The Board, through the Risk Committee (RC), has primary responsibility for overseeing the CFA Institute risk management program relating to data privacy and information security, which includes cybersecurity. The RC monitors compliance with data security standards and privacy regulations by receiving regular updates from the Information Security Office on cybersecurity threats, protections, and risk as well as data privacy matters at CFA Institute.

Governance

The Board is responsible for overseeing the governance structures and practices of CFA Institute. As part of this oversight responsibility, the Board conducts an annual self-assessment to evaluate and, where appropriate, modify governance to better support the organization's performance. The areas covered include Board and Committee composition and processes, governance, collaboration, communication, leadership and culture, as well as individual contributions.

Governors' Commitment

Each Governor is elected by the CFA Institute membership for a three-year term from 1 September to 31 August. The Board annually holds a day long retreat and four in-person meetings. The meetings usually last 2½ days in length. In addition to membership on the board each Governor is typically assigned to one of the committees of the Board. These committees meet during and between board sessions by telephone or video. The frequency of the committee meetings varies according to the function of the committee.

Governors are encouraged to attend CFA Institute seminars and meetings held in their locale and to act as "good will" ambassadors for CFA Institute with employers, regulators and the public. As time permits, Board members are also encouraged to participate with local CFA Institute societies in their activities. Governors are covered by a Code of Conduct and must disclose any conflicts of interest. Board members are covered by D&O insurance in the amount of \$30 million and by indemnification to the maximum extent allowed by law. Governors are not compensated for their time, but reasonable travel expenses are reimbursed.

Additional Reference Resources

- Fiscal Year 2021 Annual Report & 2021 Proxy Statement - <https://www.cfainstitute.org/about/governance/annual-report>
- Board Bios - <https://www.cfainstitute.org/about/governance/leadership/board>