2016 PROXY STATEMENT

& Notice of Annual Meeting of Members

8 May 2016/Montréal, Quebec, Canada
YOUR VOTE IS IMPORTANT

The proxy is solicited on behalf of the CFA Institute Board of Governors. Whether or not you plan to attend the Annual Meeting of Members, please vote as soon as possible by one of the methods outlined below – preferably by Internet. CFA Institute must receive your vote by 12:00 p.m. (EDT – 16:00:00 UTC) on Friday, 6 May 2016.

By Internet

- Go to https://www.esc-vote.com/cfa2016/ and click on the link to access the electronic ballot.
- Enter your CFA Institute Member Number and Election Validation Number to log in. If you cannot remember your member number, please contact CFA Institute Customer Service for assistance by e-mail at info@cfainstitute.org or call (800) 247-8132/+1 (434) 951-5499.
- Follow the online voting instructions.
- If you have questions concerning your Election Validation Number or electronic voting, send an e-mail to cfainstitutehelp@electionservicescorp.com or call (866) 720-4357/+1 (516) 688-7013.

By Mailing Paper Ballot

- Mark your selections by placing an “X” in the appropriate box(es).
- Sign and date your ballot (necessary for your proxy to be valid).
- Place ballot in the enclosed postage-paid envelope and mail to Election Services Co., P.O. Box 9020, Ronkonkoma, New York 11779 USA. Please allow sufficient time for delivery.
- If you need a replacement ballot, please send an e-mail to cfainstitutehelp@electionservicescorp.com or call (866) 720-4357/+1 (516) 688-7013.

By Faxing Paper Ballot

- Mark your selections by placing an “X” in the appropriate box(es).
- Sign and date your ballot (necessary for your proxy to be valid).
- Fax the complete ballot to +1 (516) 248-4770.
- If you have questions regarding voting your ballot by fax, please send an e-mail to cfainstitutehelp@electionservicescorp.com or call (866) 720-4357/+1 (516) 688-7013.

If you have any general questions about the proxy, please contact CFA Institute Customer Service by e-mail at info@cfainstitute.org or call (800) 247-8132/+1 (434) 951-5499. Please check our website for a complete listing of country contact numbers.

Additional information regarding the Annual Meeting of Members can be found on the inside back cover of this Proxy Statement.

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Message from the Chair

Dear fellow members,

In 2016, the Board of Governors aims to continue the momentum CFA Institute gained over the last year under the leadership of our Board, through the many efforts of our members worldwide, and through our President and CEO, Paul Smith, CFA. We recognize our continued opportunity to be a driving force for positive change in the industry, and have made significant strides toward achieving our mission to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society.

We are a global community of professionals who intend to speak with one voice and become the professional body for the investment management profession. As a community, we are interdependent. We share beliefs, needs, and risks that affect all of our identities in the profession. To achieve a high degree of cohesiveness, we need to support each other in reaching our goals. CFA Institute is your organization, and we need your involvement to continue making a positive impact on our membership and the investment profession.

As you receive this proxy, the Board is focused on approving our upcoming three-year strategic plan and guiding leadership in achieving four major objectives:

• Realigning the organization around credentialing, member value, and standards and advocacy;
• Extending our society partnership through increased financial support for member societies and additional training and technology infrastructure investments;
• Developing brand awareness globally, regionally, and locally through member societies with a targeted, multi-year brand campaign; and
• Modernizing our technology infrastructure by embarking on a digital core transformation initiative that will improve our ability to deliver greater member value.

We are known for raising industry standards and recognizing the critical need for transparency and good governance. We have chosen to demonstrate our commitment to governance standards and to lead by example to help raise these standards. In October 2015, our Board of Governors resolved to implement the highest standards of governance at CFA Institute by adopting U.S. public company standards and we seek to become a best in class non-profit organization by meeting or exceeding these standards.

CFA Institute has already begun adopting these standards, and we will continue to do so in the coming years. If a particular provision is not in the best interests of the organization or our members, we will be transparent in our rationale for not pursuing that standard. Towards this end, the 2016 proxy statement includes additional disclosures on governance, conflicts of interest, the nominations process, and an improved compensation discussion and analysis. You will find comprehensive detail about our Board nominees, including individual biographies, personal statements, and specific skills each nominee brings to the table.

As part of this effort, we are reducing the size of our Board and working to improve our gender diversity with a goal of 30% women on our Board by 2018. This year, we will also make improvements in how executive compensation decisions are made with performance at the forefront. There will be a strong focus on measurable goal development related to achieving financial and strategic priorities as well as improving member value.

On behalf of the CFA Institute Board of Governors, I encourage you to be an active participant in shaping our community’s future, and the future and direction of our member organization by voting during this proxy season.

With kind regards,

Beth Hamilton-Keen, CFA
Chair, CFA Institute Board of Governors
Message from the President and CEO

Dear members,

As I enter my second year leading your CFA Institute, I am satisfied with the progress made in 2015 and am guardedly optimistic about our direction for 2016 and beyond. While I’m proud of the work we’ve accomplished, there is still much to do to effect lasting change in our industry.

First, CFA Institute maintains a strong financial foundation that allows us to operate effectively and extend our influence around the world. In fiscal year 2015, we experienced a positive year financially, including several notable accomplishments:

- CFA Program exam administrations increased 7% from 2014, to 224,000 candidates;
- The June 2015 exam represented the largest exam administration in the 50-year history of the CFA Program;
- Fiscal year 2015 new Level I exam administrations increased 10% over fiscal year 2014; and
- CFA Institute membership grew 6% to 134,800 members, up from 127,800 members in 2014.

Second, by realigning the organization around credentialing, member value, and standards and advocacy, I believe we have a winning formula for future growth and a focus that will help us execute our mission.

Third, we are now elevating our work by making a commitment toward greater transparency and reporting of our own operations as Beth mentions in her message. Our commitment to transparency will extend throughout the organization, starting at the top. In 2015, CFA Institute created a new Compliance, Risk & Ethics function, led by newly appointed Chief Compliance, Risk and Ethics Officer, Darin Goodwiler, whose team will ensure that internal policies covering environment, social, and governance are up to the standards that we espouse publicly. Darin has a direct reporting line to the Board of Governors.

We’ve already instituted changes toward these higher standards, starting with the 2015 annual report, which includes a new Governance and Compensation section, expanded financial reporting, and the posting of key documents on our website. Improvements to our proxy statement this year also advance this goal. We have a long road to travel. Please help us by providing me with your feedback so that we can continue to improve our service to you.

Our upcoming three-year strategic plan has benefitted from the input of society leaders. This plan will be posted on our website following the Board’s approval and refreshed annually. I encourage you to take the time to view it. Your comments are very welcome.

We are working to ensure everything we do at CFA Institute is aimed toward adding value for members and making a positive impact on the investment profession we serve. CFA Institute is your organization, and your proxy vote is an invaluable way to make your voice heard. I urge you to get involved, vote, and help CFA Institute become the organization that will best serve you.

Warm regards,

Paul Smith, CFA
President and CEO, CFA Institute
MEMBER AND CANDIDATE SUMMARY

CFA® INSTITUTE
MEMBER DEMOGRAPHICS

HOW LONG HAVE MEMBERS WORKED IN THE INVESTMENT INDUSTRY?
- 28% Over 20 years
- 23% 6 to 10 years
- 21% 11 to 15 years
- 21% 16 to 20 years
- 3% 5 years or less
- 3% Not Applicable

GENDER
- 82% MALE
- 18% FEMALE

WHAT DO MEMBERS DO?
- 11% Corporate Finance
- 7% Portfolio/Fund Management
- 7% Risk Management
- 9% Consulting
- 11% Research & Analysis
- 6% Wealth Management & Financial Planning

WHO DO MEMBERS WORK FOR?
- 17% INVESTMENT FIRM
- 10% PRIVATE WEALTH MANAGEMENT FIRM
- 8% INVESTMENT BANK
- 5% HEDGE FUND
- 3% PRIVATE EQUITY FIRM
- 25% OTHER
- 11% COMMERCIAL BANK
- 9% CONSULTING FIRM
- 5% BROKERAGE
- 4% INSURANCE COMPANY
- 3% PENSION FUND

TOP MEMBER MARKETS

AMERICAS
- 83,996 | 62%

EUROPE, MIDDLE EAST & AFRICA
- 27,998 | 21%

ASIA PACIFIC
- 22,768 | 17%

Data as of 4 January 2016

www.cfainstitute.org
CFA® INSTITUTE
CANDIDATE
DEMOGRAPHICS

HOW LONG HAVE CANDIDATES WORKED IN THE INVESTMENT INDUSTRY?

- 36% 5 years or less
- 17% 6 to 10 years
- 4% 11 to 15 years
- 2% 16 to 20 years
- 1% Over 20 years
- 41% Not Applicable

GENDER

- 68% MALE
- 32% FEMALE

AVERAGE AGE

<table>
<thead>
<tr>
<th>14B LI</th>
<th>15A LI</th>
<th>15A LII</th>
<th>15A LIII</th>
<th>FY15 TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>28.3</td>
<td>26.9</td>
<td>28.5</td>
<td>30.0</td>
<td>28.2</td>
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</tbody>
</table>

TOP CANDIDATE MARKETS

<table>
<thead>
<tr>
<th>AMERICAS</th>
<th>77,115</th>
<th>35%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUROPE, MIDDLE EAST &amp; AFRICA</td>
<td>47,723</td>
<td>21%</td>
</tr>
<tr>
<td>ASIA PACIFIC</td>
<td>99,214</td>
<td>44%</td>
</tr>
</tbody>
</table>

FY15 Data
Notice of Annual Meeting of Members

Date and Time
Sunday, 8 May 2016
12:30 p.m.
(EDT – 16:30:00 UTC)

Place
Room 516, Level 5
Palais des congrès de Montréal
1001 Place Jean-Paul-Riopelle
Montréal, QC H2Z 1H5
Canada

Purposes:
1. To elect a Chair and Vice Chair of the CFA Institute Board of Governors for fiscal year 2017.
2. To elect five Governors, each to serve a three-year term beginning 1 September 2016 and ending 31 August 2019.
3. To ratify the selection of an independent registered public accounting firm.
4. To transact any other business that properly comes before the meeting or any adjournment.

All Regular Members at the close of business on 1 March 2016 will be entitled to vote at the meeting and any adjournment thereof.

This notice and the Proxy Statement are being mailed on or about 4 April 2016 to each Regular Member who has not elected to receive the materials electronically.

For the CFA Institute Board of Governors,

Joseph P. Lange
Secretary, CFA Institute
The Board of Governors recommends that you vote in favor of the following proposals:

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Rationale</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Elect a Chair and Vice Chair of the CFA Institute Board of Governors for fiscal year 2017</td>
<td>The Board believes that the nominees have the abilities and commitment to lead the Board and to help the Board carry out its duties to CFA Institute</td>
</tr>
<tr>
<td>2</td>
<td>Elect five Governors to each serve a three-year term beginning 1 September 2016 and ending 31 August 2019</td>
<td>The Board believes that the nominees bring the requisite skills and qualities to provide optimal levels of oversight and guidance to the management and operation of CFA Institute</td>
</tr>
<tr>
<td>3</td>
<td>Ratify the selection of an independent registered public accounting firm</td>
<td>Following review, the Audit and Risk Committee of the Board believes that PricewaterhouseCoopers LLP should be designated to perform the fiscal year 2016 audit of CFA Institute consolidated financial statements</td>
</tr>
</tbody>
</table>

**Proposal 1**

<table>
<thead>
<tr>
<th>Position</th>
<th>Nominee</th>
<th>Age</th>
<th>Director Since</th>
<th>Current Board Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>Frederic P. Lebel, CFA</td>
<td>47</td>
<td>2012</td>
<td>• Executive</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Compensation and Governance</td>
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<td></td>
<td></td>
<td>• Audit and Risk</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Awards</td>
</tr>
<tr>
<td>Vice Chair</td>
<td>Colin McLean, FSIP</td>
<td>63</td>
<td>2013</td>
<td>• Executive</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Audit and Risk</td>
</tr>
</tbody>
</table>

**Proposal 2**

<table>
<thead>
<tr>
<th>Position</th>
<th>Nominee</th>
<th>Age</th>
<th>Director Since</th>
<th>Current Board Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governor</td>
<td>Heather Brilliant, CFA</td>
<td>39</td>
<td>2014</td>
<td>• Executive</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• External Relations and Volunteer Involvement</td>
</tr>
<tr>
<td></td>
<td>Elizabeth Corley, CBE</td>
<td>56</td>
<td></td>
<td>• N/A</td>
</tr>
<tr>
<td></td>
<td>Robert Jenkins, FSIP</td>
<td>65</td>
<td>2014</td>
<td>• Executive</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Planning</td>
</tr>
<tr>
<td></td>
<td>Diane C. Nordin, CFA</td>
<td>57</td>
<td></td>
<td>• N/A</td>
</tr>
<tr>
<td></td>
<td>Sunil Singhania, CFA</td>
<td>48</td>
<td>2014</td>
<td>• Audit and Risk</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Awards</td>
</tr>
</tbody>
</table>
COMPOSITION AND QUALIFICATIONS OF BOARD MEMBERS

Fiscal Year 2016 Board Members

**AVERAGE SERVICE TENURE**

- **2.79 YEARS**

**GENDER DIVERSITY**

- **84% MEN**
- **16% WOMEN**

**REGIONAL REPRESENTATION**

- **AMERICAS**: 47%
- **EUROPE, MIDDLE EAST & AFRICA**: 42%
- **ASIA PACIFIC**: 32%

**EXPERIENCE**

**GOVERNANCE**

- **16 Governors | 84%**
  - For Profit/Not for Profit Board (Complexity); Mutual Fund Board

**AUDIT & RISK**

- **3 Governors | 16%**
  - Audit; Financial Risk Manager; Accountant; Public Company Standards

**STRATEGIC**

- **3 Governors | 16%**
  - Brand; IT; Human Resources; Talent/Change Management

**PROFESSIONAL BACKGROUND/ASSET TYPE**

- **11% ASSET OWNER**
- **11% PRIVATE WEALTH & ADVISORY**
- **63% INSTITUTIONAL**

**CFA INSTITUTE ORGANIZING FRAMEWORK**

- **26% STANDARDS & ADVOCACY**
- **32% CREDENTIALING**
- **42% MEMBER VALUE**
Board Structure and Process

**Board Leadership Structure**

Not Independent Governor - President and CEO
Independent Governors = Chair, Vice Chair, Past Chair
Independent Governors = 15

**Compensation and Governance Committee (5 Members)**

Past Chair is the Committee Chair
Chair is a member
Vice Chair is a member

**Audit and Risk Committee (5 Members)**

Vice Chair is a member

**Nominating Committee (7 Members)**

Past Chair is the Committee Chair
Chair is a member

**Planning Committee (8 Members)**

Chair is a member
Past Chair is a member

**PAST CHAIR RESPONSIBILITIES:**

- Preside at all Compensation and Governance meetings;
- Preside at all Nominating Committee meetings; and
- Serve in an ambassadorial role for the organization.

**Executive Committee (7 Members)**

Chair is the Committee Chair
Vice Chair is a member
Past Chair is a member

**Chair Responsibilities:**

- Preside at all Board and member meetings;
- Be the representative of the Board and the Executive Committee;
- Preside at all Executive Committee meetings;
- Regularly meet with the President and CEO and serve as a liaison between the President and CEO and the Board;
- Approve meeting agendas and schedules to ensure that there is appropriate time for agenda items;
- Serve as an ex officio member of the Board of Trustees of the CFA Institute Research Foundation; and
- Serve in an ambassadorial role for the organization.

**Vice Chair Responsibilities:**

- Perform the duties of the Chair in his or her absence;
- Be the Chair of CFA Institute in the event of the Chair’s incapacity, resignation, removal or death;
- Preside at all Awards Committee meetings;
- Oversee the orientation training program for new incoming governors;
- Serve as an ex officio member of the Board of Trustees of the CFA Institute Research Foundation;
- Serve as an ex officio member of the Standards and Advocacy Advisory Council; and
- Serve in an ambassadorial role for the organization.

**Plannning Committee (8 Members)**

Chair is a member
Past Chair is a member
# Board Committees

The principal responsibilities of each Committee are as follows:

<table>
<thead>
<tr>
<th>Committees Fiscal Year 2016</th>
<th>Board Members</th>
<th>Roles and Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Committee</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Terms of Reference are posted on our website | • Beth Hamilton-Keen, CFA (Chair)  
• Heather Brilliant, CFA  
• Robert Jenkins, FSIP  
• Frederic P. Lebel, CFA  
• Aaron Low, CFA  
• Colin McLean, FSIP  
• Paul Smith, CFA | • Managing the Board of Governors’ functions and operations.  
• Establishing and maintaining the lines of reporting and responsibility among oversight committees, the Board, and management. |

| **Compensation and Governance Committee** |  
| Terms of Reference are posted on our website | • Aaron Low, CFA (Chair)  
• Beth Hamilton-Keen, CFA  
• Mark Lazberger, CFA  
• Frederic P. Lebel, CFA  
• Lynn Stout | • Setting appropriate compensation and succession planning policies for CFA Institute.  
• Evaluating the performance of the President and CEO and setting CEO compensation.  
• Evaluating the performance of the Board and individual governors.  
• Promoting sound Board and organizational governance.  
• Making recommendations to the Board on matters relating to governance of CFA Institute, Board organization, and Board effectiveness. |

| **Nominating Committee** |  
| Terms of Reference are posted on our website | • Aaron Low, CFA (Chair)  
• Beth Hamilton-Keen, CFA  
• Daniel Gamba, CFA  
• Attila K. Koksal, CFA  
• Non-Board members  
• Anne-Katrin Scherer, CFA  
• Adam S. Thurgood, CFA | • Annually proposing Board nominees for the positions of Governor whose terms are expiring and for the positions of Chair and Vice Chair.  
• Striving to nominate the very best nominees with the appropriate skill sets and diversity of characteristics appropriate to generate a properly balanced Board. |

| **Investment Committee** |  
| Terms of Reference are posted on our website | • Michael G. Trotsky, CFA (Chair)  
• James G. Jones, CFA  
• Simon Cawdery, CFA  
• Bob Dannhauser, CFA  
• Tony Tan, CFA | • Providing strategic direction and oversight of the CFA Institute reserves. |

| **Audit and Risk Committee** |  
| Terms of Reference are posted on our website | • Colin McLean, FSIP (Chair)  
• Frederic P. Lebel, CFA  
• Scott Proctor, CFA  
• Sunil Singhania, CFA  
• George Spentzos, CFA, FSIP | • Overseeing financial and audit systems for financial integrity.  
• Overseeing processes for monitoring compliance as it relates to financial integrity.  
• Evaluating and monitoring risks.  
• Retaining, oversight, etc., of external auditor |

| **External Relations and Volunteer Involvement Committee** |  
| Terms of Reference are posted on our website | • Heather Brilliant, CFA (Chair)  
• James G. Jones, CFA  
• Attila K. Koksal, CFA  
• Paul Smith, CFA  
• Zouheir Tamim El Ja rkass, CFA  
• Michael G. Trotsky, CFA  
• Yu Hua, CFA | • Overseeing the relationships with all stakeholders, internal and external.  
• Overseeing the relationships with the financial services industry, the public, and governments.  
• Overseeing the processes that ensure volunteer service with CFA Institute is a productive and satisfying experience. |
<table>
<thead>
<tr>
<th>Committees Fiscal Year 2016</th>
<th>Board Members</th>
<th>Roles and Responsibilities</th>
</tr>
</thead>
</table>
| Planning Committee         | Robert Jenkins, FSIP (Chair)  
Giuseppe Ballocchi, CFA  
Danial Gamba, CFA  
Beth Hamilton-Keen, CFA  
Mark Lazberger, CFA  
Aaron Low, CFA  
Paul Smith, CFA  
Lynn Stout  | Overseeing the strategic direction, mission, and vision.  
Overseeing the annual financial plans, including capital investment plans.  
Overseeing the goals and targets adopted by the Board to meet objectives. |
| Awards Committee           | Frederic P. Lebel, CFA (Chair)  
Beth Hamilton-Keen, CFA  
Sunil Singhania, CFA  
Paul Smith, CFA  
Michael G. Trotsky, CFA  | Supporting CFA Institute’s leadership position in the investment profession by recognizing individuals whose achievements, examples, or contributions have helped raise the standards of education, integrity and professional excellence. |

* New Committee commencing in fiscal year 2016
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<td>Board Expenses</td>
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## Audit Matters

Proposal 3: Ratification of Selection of Independent Registered Public Accounting Firm for Fiscal Year 2016

Audit and Risk Committee

- Report
- Audit and Risk Committee Fiscal Year 2016
- Appointment of Independent Public Accounting Firm
- Fees Paid to PricewaterhouseCoopers LLP
- Audit and Risk Committee Pre-Approval Policies and Procedures

## Compensation Discussion and Analysis

Executive Summary

Philosophy and Objectives of Our Executive Compensation Program

How we make Executive Compensation Decisions

CEO Transition

Executive Departures in Fiscal Year 2015 and Fiscal Year 2016

Executive Hires in Fiscal Year 2015 and Fiscal Year 2016

Strategic Vision and Performance Priorities

Compensation Pay Elements

Compensation Summary Table for Top Executives

## Information About the Meeting and Voting
Proposal 1: Election of Chair and Vice Chair

At the Meeting, members will be asked to vote on the election of Frederic P. Lebel, CFA, and Colin McLean, FSIP, as Chair and Vice Chair, respectively, of CFA Institute for a term beginning on 1 September 2016 and ending on 31 August 2017 and until their respective successors are elected and qualified.

The Board, on the recommendation of the Nominating Committee, has selected Messrs. Lebel and McLean to stand for election as Chair and Vice Chair based on its belief that they have the abilities and commitment to lead the Board and to help the Board carry out its duties to the organization. The following biographies and personal statements demonstrate the basis for the Board’s belief.

Chair – Frederic P. Lebel, CFA (age 47 and Board member since fiscal year 2012)

Bio:
Frederic P. Lebel, CFA, has been co-CEO and CIO of OFI MGA and owner of HFS Hedge Fund Selection S.A., based in Geneva, since 2008. Prior to this, he had been an executive vice president at Lombard Odier & Cie in Geneva in charge of hedge fund investments since 1997, after having worked for two years as an assistant to Philippe A. Sarasin, CFA, one of the bank’s managing partners. He began his career in the equity division of Morgan Stanley in New York prior to moving to London. Mr. Lebel was founding co-chair and then chair of the European Advocacy Committee in 2000, and the founding chair and a member of the Capital Market Policy Council of the CFA Institute Centre for Financial Market Integrity. He is currently the vice chair of the CFA Institute Board of Governors and previously served as chair of the Planning Committee. A past recipient of the Daniel J. Forrestal III Leadership Award for Professional Ethics and Standards of Investment Practice, Mr. Lebel holds undergraduate and graduate degrees in finance and accounting from the University of St. Gallen in Switzerland.

Personal Statement:
It is a great privilege, with many fellow volunteers, to take part in the CFA Institute journey. As such, I am deeply honored to be presented with the opportunity to chair our Board of Governors.

Our organization has continued its progress and transformation over the past few years. It has grown larger, stronger, wider and, at times, even bolder. Volunteers have been a key factor in the successes achieved. Without their enthusiasm and dedication, our organization would have had so much less impact and vitality. Staff has risen to the many challenges of a growing membership and increasingly international scope. They have embraced change and shown remarkable energy towards yet more ambitious goals.

If anything can explain our continued success over many decades, it certainly boils down to great individuals leading our organization with awesome dedication and passion, year after year, in its various parts and locations.

Since our organization grows more powerful and enjoys stronger influence, a great deal of exciting challenges as well as opportunities lie ahead of us.

As leaders of the investment management profession, we will redouble our efforts so that clients continue to grant us their trust. Demonstrating character, applying skills and living by our commitments on a daily basis will help clients identify why and to whom their trust should go.

As an organization, we will pay even more attention to creating value for our members, through the Institute as well as our wonderful network of local societies. Generating value for our members will gain even more traction as a key test for our present and future activities and services.

As a Board, we will ensure that our leadership and allocation of resources are aligned with our mission. Thanks to always improving governance, we are dedicated to strengthening the relevance of CFA Institute to its members, the profession and society.

Finally, in the hope that you will elect me as Chair of the Board of Governors for the coming fiscal year, I very much look forward to contributing to this inspiring undertaking.
Vice Chair – Colin McLean, FSIP (age 63 and Board member since fiscal year 2013)

Bio:

Colin McLean, FSIP, is CEO of SVM Asset Management Ltd., an independent fund management group based in Edinburgh, UK, which he founded in 1990. SVM specializes in UK, European and Global equities. Prior to founding SVM, Mr. McLean was managing director of Templeton’s European operations and previously held senior positions in two UK life assurers. He is a regular member of CFA Institute and a Fellow of the CFA Society of the UK. He is currently serving his second year as chair of the Audit and Risk Committee of the CFA Institute Board of Governors, and prior to this he was chair of the External Relations and Volunteer Involvement Committee. Mr. McLean is a past chair and board member of CFA UK. He holds an MA (Hons) in Political Economy & Economic Statistics and an MBA (Distinction) from Glasgow University. He is a Fellow of the Institute & Faculty of Actuaries and Chartered Fellow of the Chartered Institute for Securities & Investment. Mr. McLean is currently an honorary professor at Heriot-Watt University and previously was a visiting professor at Glasgow Caledonian University. He is a frequent conference speaker and contributor to press, TV and radio.

Personal Statement:

It is a great honour to be nominated for the position of Vice Chair of the Board of Governors of CFA Institute. I am grateful to be offered the opportunity to serve in this role.

I look forward to supporting the incoming Chair and working with my fellow governors on the work that is planned for the year ahead. CFA Institute has achieved a great deal in recent years in terms of growth, recognition of the CFA designation and promotion of high ethical standards. As a member, I am grateful to all the volunteers and staff who have ensured that our organisation is strong and respected and can show global leadership.

I believe there is still greater opportunity ahead for our organisation. Its reputation and skills should be a force for positive change. CFA Institute can support members by helping to build trust with clients, regulators, and the public. As a volunteer, I have seen the strong desire of investment professionals to ensure that the industry’s public reputation reflects our members’ commitment to ethics and professional excellence. All members want the Board to maintain the gold standard of the CFA designation.

I believe that members have placed a responsibility on the Board to set high standards of accountability and leadership. I welcome the opportunity to serve members and contribute further to the global development of CFA Institute.
Proposal 2: Election of Governors

At the meeting, members will be asked to vote on the election of five Governors, each to serve a three-year term beginning 1 September 2016 and ending 31 August 2019.

The Board has nominated the following persons for election as Governors. The Board’s nomination is based on the recommendation of the Nominating Committee and the Board’s belief that the nominees, together with the other current members of the Board of Governors who are continuing in office, bring the requisite skills and qualities to provide optimal levels of oversight and guidance to the management and operation of CFA Institute. The following biographies and personal statements demonstrate the basis for the Board’s belief.

Governor – Heather Brilliant, CFA (age 39 and Board member since fiscal year 2014)

Bio:
Heather Brilliant, CFA, is CEO of Morningstar Australasia. In this role, she leads a team of approximately 125 financial services professionals based in Australia and New Zealand. Ms. Brilliant works closely with global and regional teams to create, communicate, and implement strategies for the business based on functional and local market priorities. Prior to assuming her current role in 2014, Ms. Brilliant was global director of equity and corporate credit research for seven years. In this role, she led Morningstar’s global equity and corporate credit research teams, consisting of more than 120 analysts, strategists, and directors. She also served on Morningstar’s Economic Moat committee, a group of senior members of the equity research team responsible for reviewing all of the firm’s Economic Moat and Moat Trend ratings. Ms. Brilliant is co-author of Why Moats Matter: The Morningstar Approach to Stock Investing, published by John Wiley & Sons in 2014. Before joining Morningstar in 2003 as an equity analyst, Ms. Brilliant spent several years as an equity research analyst for boutique investment firms. She has covered a variety of sectors, including pharmaceuticals, biotechnology, business services, and retail. She started her career at Bank of America as a corporate finance analyst, covering the auto industry. Ms. Brilliant holds a bachelor’s degree in economics from Northwestern University and a master’s degree in business administration from the University of Chicago Booth School of Business. She also holds the Chartered Financial Analyst® designation. Ms. Brilliant is a member of the CFA Institute Board of Governors and serving her first year as chair of the External Relations and Volunteer Involvement Committee, and is a past chairman of the CFA Society of Chicago. In 2014, she completed the High Performance Board program at IMD Business School in Lausanne, Switzerland, where participants learn how to identify the strategies, structures and processes that make boards the driving force behind their company’s success. In 2013, Crain’s Chicago Business named Ms. Brilliant to its annual 40 Under 40 class, a list that includes professionals from a variety of industries who contribute to Chicago’s business, civic, and philanthropic landscape.

Personal Statement:
CFA Institute’s commitment to ethics, integrity, and professional excellence continues to set it apart, and I am honored to be invited to continue to serve on the Board of Governors.

My interest in CFA Institute began more than 15 years ago, when I started studying for Level I. After finishing the exams, I wanted to find a way to actively engage with the organization, and started volunteering with the CFA Society of Chicago. There I found a group of like-minded financial professionals, focused not only on making sound investment decisions, but also on restoring integrity to our industry. What truly impressed me about the organization, though, was learning that this culture and commitment to integrity extended across the globe.

I continue to be inspired by the commitment of volunteers, society leaders, CFA Institute staff, and the Board of Governors to advance our mission. The collaboration among charterholders globally has been truly impressive, and I look forward to helping carry that forward as a member of the Board of Governors.
Governor – Elizabeth Corley, CBE (age 56)

**Bio:**

Elizabeth Corley, CBE, is non-executive vice chair of Allianz Global Investors, where she was CEO from 2005 to 2016, firstly for Europe and then, since 2012, globally. She was previously at Merrill Lynch Investment Managers (formerly Mercury Asset Management), having spent twenty-three years in the asset management industry. Prior to that she was a consultant, then partner at Coopers & Lybrand and also worked in the life and pensions industry. Ms. Corley is acting-chair of the FICC Markets Standards Board UK; a member of the ESMA stakeholder group; a board member of the Investment Association (UK); and, on the advisory council of TheCityUK and the AQR Institute of Asset Management. She is also a member of the CEO Forum of European Asset Managers’ (FEAM) management committee, and serves on the Future of Finance Advisory Council of CFA Institute. She was made a Fellow of the CFA Society of the UK in 2015 and is a liveryman of the Worshipful Company of Marketors. Ms. Corley was named asset management CEO of the year by Financial News in 2011. She is a non-executive director of BAE Systems plc, Pearson plc (and remuneration committee chair), the Supervisory Board of Euler SA and the Financial Reporting Council. Ms. Corley is a member of the Committee of 200 and a Fellow of the Royal Society of Arts. From October 2016, Ms. Corley will be a trustee of the British Museum and currently serves on their investment subcommittee. She is also a published crime fiction author.

**Personal Statement:**

It is a great privilege to have been nominated to the Board of Governors of CFA Institute. Across the world, the CFA designation stands for impeccable competence, a commitment to ethical behaviour and to high standards of professionalism – all for the ultimate benefit of clients. To earn and hold the CFA designation is the aspiration of investment professionals globally, who realise how vital it is to uphold the Institute’s values in order to sustain and improve the reputation of the investment industry, which is increasingly under scrutiny.

Never has the role of market finance and investment management been more vital for the stimulation of growth and employment across the world, by directing the collective savings of individuals, whether through pensions vehicles or mutual funds, as capital to sustain long term investment. By fulfilling this vital task with due attention to the highest professional standards, CFA Institute members and their firms are performing a vital role in raising standards of effectiveness in global capital markets.

The constant and focused work of CFA Institute and the local societies, working to achieve globally consistent standards with real local impact, adds direct value. Delivery through a blend of global reach and local relevance has never been more important. It would be an honour to serve and support this ambition.
Bio:

Robert Jenkins, FSIP, is a former banker, fund manager, and policy maker. He is currently a teacher, board director, and public policy advocate. Mr. Jenkins was a senior executive at CitiGroup where he ran the bank’s trading and sales activities in Dubai, Bahrain, Switzerland, and Japan. He followed these 16 years on the “sell side” with a further 18 on the “buy side.” He headed the asset management business of Credit Suisse in Japan, was COO of CSAM’s UK and central European business, and then served for 12 years as CEO and Chair of F&C Asset Management. Previously, Mr. Jenkins also worked at the Bank of England and was CEO and Partner of Combinatorics Capital, a NY-based hedge fund. Mr. Jenkins chaired the Investment Management Association of the UK, the trade body for the investment industry. He co-chaired the Chancellor’s task force on the “Future of the UK investment Industry” and served on the UK’s Takeover Panel. From 2011-13, he served as a founding member of the Bank of England’s Financial Policy Committee. He is currently adjunct professor of finance at London Business School, chair of the AQR Asset Management Institute at LBS, a member of the CFA Institute Board of Governors and serving his second year as chair of the Planning Committee, a member of the supervisory board of NN Group, and a senior fellow at Better Markets, the Washington, D.C.-based think tank and non-partisan advocate for effective financial reform. He is a regular contributor to the financial press. Mr. Jenkins attended university in the U.S., France, and Italy.

Personal Statement:

My first term proved to be a busy time, not least due to the change in CEO and organisational refocus that followed. During this period, I served on the then newly combined Compensation and Governance Committee and chaired the Planning Committee, the focus of which was a strategic review of the organisation. Findings from these collective efforts are now being reflected in improvements in Board effectiveness, clarity of mission and organisational priorities. Looking forward, I would like to help improve the transparency of the Board nomination process; better define, focus and support our advocacy efforts; and achieve a better gender balance at the Board level. I would welcome the opportunity to serve a second three-year term. It would be an honour to do so.
Governor – Diane C. Nordin, CFA (age 57)

Bio:
Diane C. Nordin, CFA, has over thirty-five years of experience in the investment industry. Currently, she is a Director of Fannie Mae (since 2013) where she serves as Chair of the Compensation Committee and member of the Audit Committee. Recently, she was named to the Board of Antares, a spin out of GE Capital, where she was named Chair of the Compensation Committee. Ms. Nordin is a former Partner of Wellington Management Company, Llp., where she was employed from 1991 to 2011. She held numerous global leadership positions during her tenure at Wellington, including Director of Fixed Income, Director of Global Relationship Management and Director of Fixed Income Product Management. In addition, Ms. Nordin served in various global governance and senior executive roles at Wellington, including Vice Chair of Compensation Committee, Chair of the Audit Committee, member of Executive and Operating Committees as well as senior member of various Portfolio Review groups and Regional/Global Business committees. She is a member of the Boston Economics Club and Boston Security Analysts Society, and a former Advisory Board member of the Institutional Investor Fixed Income Forum. Currently, she serves on several non-profit boards and focuses primarily on Investment and Audit committee responsibilities. Previous to Wellington, Ms. Nordin was employed by Fidelity Management Company and Putnam Advisory Company.

Personal Statement:
It is an honour to be nominated to serve on the CFA Institute Board of Governors.

These are interesting times in our industry. Market dislocations, shifting investor goals, increased regulation and the complexities that arise from globalization have made meeting and exceeding client expectations ever more challenging. It is the perfect time for CFA Institute to boldly lead the industry and execute on its mission “to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society”.

I believe our organization is poised to make great strides on this mission at this critical time. CFA Institute is under new leadership, operating under a realigned organizational framework and developing a three-year Strategic Plan. As fiduciaries, the Board serves a critical role at an organizational inflection point, seeking to ensure that the strategic plan and operational framework are well resourced, sustainable, ethical, and meet the expectations of membership and other stakeholders. I applaud CFA Institute’s initiative towards greater transparency and disclosure to the membership, and support CFA Institute’s commitment to providing world-class educational opportunities with an emphasis on ethical conduct and the highest professional standards. Furthermore, continued initiatives to reach a more diverse, global constituency are essential to maintaining a dynamic and innovative investment institution. I would consider it a privilege to apply my global leadership and non-profit board governance skills to the challenges and opportunities CFA Institute and its members face today.
Governor – Sunil Singhania, CFA (age 48 and Board member since fiscal year 2014)

Bio:

Sunil Singhania, CFA, is Chief Investment Officer – Equity Investments of Reliance Capital Asset Management Ltd., one of the largest asset managers in India. In this capacity, Mr. Singhania oversees nearly $8 billion of equity assets primarily invested in listed Indian companies. He has been a key member of the management team that has driven Reliance AMC’s assets from $500 million in 2003 to over $40 billion at present. Equity schemes managed by Mr. Singhania have been, time and again, ranked amongst the best, not only in India but also globally. Furthermore, he leads Reliance AMC’s international efforts and has been instrumental in launching India funds in Japan, South Korea, and the UK, besides managing mandates from institutional investors based in the U.S., Singapore, and other countries. Mr. Singhania has been featured regularly in various domestic and global newspapers, magazines, websites, blogs, and television, both in a professional capacity and as a representative of CFA Institute and his local society. He founded the Indian Association of Investment Professionals (CFA India Society) in 2005 and was President until 2013. In this capacity, he has seen the society, as well as the candidate count, grow many times over. An active volunteer, Mr. Singhania has participated in CFA Institute’s conferences and meetings, both as a delegate and as a member of volunteer committees. Currently, he serves as a member of the CFA Institute Board of Governors. Mr. Singhania holds a bachelor’s degree in Commerce and is a CFA Charterholder.

Personal Statement:

It is a great honour to be nominated to serve a second term on the Board of Governors of CFA Institute. Over the last few years, CFA Institute has achieved a great deal in terms of growth, putting investors first, promoting high ethical standards in the investment profession and recognition of the CFA designation. I am grateful to my fellow Board members, Leadership Team, volunteers and staff for their services and efforts in maintaining our global leadership.

The growth for CFA Institute in emerging countries like India, China and others continues to be fast paced. At the same time, renewed economic challenges and volatility in financial markets increases the challenges for our profession. Enhanced efforts have been made by CFA Institute and the local societies to assist our ever increasing charterholder base secure jobs by engaging with employers. The engagements with regulators, increased visibility though advertisements, and local events and initiatives such as the Future of Finance have helped increase visibility and further improve the perception of the CFA designation as being the gold standard.

I have been closely associated with CFA Institute and both charterholders and candidates in India during the last 15 years. My first term on the Board of Governors has led me to understand a much broader perspective about CFA Institute and added to my experience of being a society leader. Having been associated with the financial services industry for over 20 years, I aspire to contribute from my learnings to further the mission and vision of CFA Institute.

I would welcome the opportunity to serve on the Board for another term and contribute further to the global development of CFA Institute.
Continuing Governors

We are also providing biographical information for the members of the Board of Governors who are continuing in office:

**Governor terms expiring 31 August 2018**

- Daniel Gamba, CFA, (age 48 and Board member since fiscal year 2016) is a managing director and the head of iShares Americas Institutional Business at BlackRock. He is responsible for business strategy, client service, and business development for iShares ETFs among institutional investors, including pension plans, foundations, endowments, asset managers, insurance companies, and large registered investment advisers in the United States, Canada, Latin America, and Iberia.

- Mark Lazberger, CFA, (age 54 and Board member since fiscal year 2013) is the CEO for Colonial First State Global Asset Management (CFSGAM). In his role, Mr. Lazberger leads the global asset management business, which is a wholly owned division of the Commonwealth Bank of Australia.

- George Spentzos, CFA, FSIP, (age 52 and Board member since fiscal year 2016) is an Advisory Board Member at LNG Capital. Mr. Spentzos is a Fellow of the CFA Society of the UK and has been an engaged CFA Institute member. His volunteer efforts include working on the Council of Examiners with a two-year term as chairman, authoring CFA curriculum, and serving his local society in a number of board capacities including chairman.

- Zouheir Tamim El Jarkass, CFA, (age 53 and Board member since fiscal year 2016) is a human capital leader and a senior adviser for learning and development at Mubadala, a business development and investment company in the United Arab Emirates. He is also the chairman of the advisory board of the LAB (Leadership Acceleration for Business), a learning and development partnership between Mubadala and General Electric.

**Governor Terms expiring 31 August 2017**

- Attila Koksal, CFA, (age 55 and Board member since fiscal year 2012) is a board member of Unlu Securities, Turkey’s leading investment house. Unlu Securities is the market leader in corporate finance advisory transactions, specializing in cross-border mergers and acquisitions in Turkey.

- Scott Proctor, CFA, (age 45 and Board member since fiscal year 2015) most recently served as managing vice president of information technology at Capital One in San Francisco, California. He is a Certified Six Sigma Black Belt of the American Society for Quality, holds an ITIL Certificate in IT Service Management, and is the author of several books on financial modeling and information technology.

- Lynn Stout (age 58 and Board member since fiscal year 2015) is the Distinguished Professor of Corporate and Business Law at Cornell Law School. Professor Stout is an internationally recognized expert in corporate governance, financial regulation, and moral behavior. She has published numerous articles and books, and she lectures widely.

- Michael G. Trotsky, CFA, (age 52 and Board member since fiscal year 2015) is the executive director and chief investment officer of the Massachusetts Pension Reserves Investment Management (PRIM) Board, the entity responsible for investing the $62 billion Massachusetts pension fund, which contains the assets of the Massachusetts Teachers’ and State Employees’ Retirement Systems, as well as the assets of participating municipal and county retirement systems.

- Yu Hua, CFA, (age 61 and Board member since fiscal year 2015) is Chairman of the Board at Morgan Stanley Huaxin Fund Management Co., Ltd., a joint venture that focuses on investing in stocks and bonds in China.

**Governor Terms expiring 31 August 2016**

- Giuseppe Balocchi, CFA, (age 56 and Board member since fiscal year 2011) most recently served as the head of financial engineering and risk analytics at Pictet & Cie in Geneva, Switzerland. He also lectures at the University of Lausanne, where he is a member of the Steering Committee of the Master in Finance, and serves as a foreign exchange adviser to a microfinance fund.

- Beth Hamilton-Keen, CFA*, (age 46 and Board member since fiscal year 2011) is a Director of Investment Counseling at Mawer Investment Management Ltd., which she joined in 2005. As part of her duties as Director, she is responsible for ensuring the Investment Counselling team’s consistent adherence to Mawer’s values.

- James G. Jones, CFA, (age 51 and Board member since fiscal year 2011) is the founder and managing member of Sterling Investment Advisors, LLC, a fee-based private client investment management firm.

- Aaron Low, CFA, (age 57 and Board member since fiscal year 2011) is principal of Lumen Advisors in San Francisco and Singapore, where he manages emerging markets macro long/short funds and oversees Lumen’s operations in Asia. He is also a Partner at Oakbridge Capital, a private equity fund. Mr. Low is the immediate past chair of the CFA Institute Board of Governors.

*Shall serve as an ex officio member of the Board through 31 August 2017 in the capacity as Past Chair.
President and CEO

- Paul Smith, CFA, (age 56 and Board member since fiscal year 2015) leads CFA Institute and its more than 134,000 members worldwide in promoting the highest standards of education, ethics, and professional excellence in the investment profession for the ultimate benefit of society.

Please visit our website for additional biographical information on the current members of the Board and the Leadership Team.
CORPORATE GOVERNANCE

U.S. Public Company Standards Initiative:

Our commitment to governance standards and transparency is demonstrated by the Board’s passage of a resolution in October 2015 voluntarily to implement U.S. Public Company Standards and U.S. Not-for-Profit leading practices, unless the Board determines that it is not in the best interest of the membership or organization to do so. Following passage of that resolution, CFA Institute established a cross-functional Public Company Standards Committee to implement the Board’s resolution. This committee retained Ernst & Young to prepare a Current State Assessment and Gap Analysis detailing CFA Institute’s compliance with U.S. Public Company Standards and U.S. Not-For-Profit leading practices and identifying any gaps. The findings were extremely positive as our practices were either determined to be “Established” or “Leading” as compared to other U.S. Not-for-Profits. Even as compared to U.S. public companies, the findings were that CFA Institute was either nearing “Established” or “Established” vis-à-vis U.S. Public Company Standards. The committee developed recommendations, and the Board passed a resolution in March 2016 approving the implementation of many of these standards over the next three years. Already in progress are many of these improvements, including a more fulsome Annual Report and Proxy Statement, various policy enhancements, and more transparent and comprehensive financial reporting and compensation processes. The Annual Report will contain an update on this initiative, including details of any standards which the Board resolves not to adopt and the reasons for that determination.

Enterprise Risk Management at CFA Institute:

Risk is inherent in every business, and we believe that the successful management of risk allows CFA Institute to meet our strategic objectives and advance our mission. Management is responsible for the day-to-day assessment and management of the risks we face, while the Board, as a whole and through the Audit and Risk Committee (ARC), has responsibility for the oversight of risk management. In its risk oversight role, the ARC, which consists of at least three members and is required to meet at least four times yearly, is responsible for determining that the risk governance framework and guidelines, and the policies and processes for monitoring and mitigating risk, used by management are adequate to their purpose.

In fiscal year 2016, CFA Institute moved Risk Management out of the Financial Operations Division and included it in the newly created Compliance, Risk & Ethics Division, headed by the Chief Compliance, Risk and Ethics Officer, who reports dually to the CEO and the ARC. The purpose of the move was to create greater independence and avoid both actual conflicts of interest and the appearance of conflict.

In addition to the already existing positions of Insurance & Risk Analyst and Director, Risk Management, the department added a Program Manager, Crisis Management and Business Continuity, who will focus full time on crisis response and preparedness. A crisis management benchmarking project will be undertaken in calendar year 2016.

Also in fiscal year 2016, the Risk Management Department completed a large-scale survey of risks that sought contribution from the Board, Leadership Team (LT), and Heads and Directors of CFA Institute. From the results of that survey, which asked respondents to rank risks by likelihood, severity of impact, and time to impact, the Risk Management Department created an Enterprise Risk Dashboard, which tracks each enumerated risk and attendant mitigations.

The work of the risk management function is supported by the internal Risk Management Committee (RMC), an inter-department group comprising individuals with insight into the risks facing CFA Institute. The RMC meets approximately six times yearly to discuss risk. It also reviews the annual Enterprise Risk Management report provided to the LT and the ARC. In fiscal year 2015, Risk Management did not conduct a compensation risk assessment.

Compliance and Ethics:

A commitment to ethical conduct is essential to our philosophy of excellence. To this end, we have adopted a Compliance & Ethics framework to uphold the highest standards of business ethics; to foster compliance with applicable laws, regulations, and organizational policies; and to prevent, detect, report, and address any allegations of misconduct.

The CFA Institute Code of Conduct and Code of Ethics apply to all of our employees, as well as independent contractors and other third parties. These codes require the covered persons to engage in honest and ethical conduct in performing their duties, disclose actual or potential conflicts of interest, and report suspected illegal or unethical conduct. We provide our employees with a comprehensive training program, including courses on our Code of Conduct, potential conflicts of interest, privacy and information security, marketplace conduct, and ethical decision-making.
In addition, we have a Code of Conduct for the Board of Governors that focuses on the role of the Board to set the correct “tone at the top” and also addresses specific standards of conduct such as conflicts of interest, confidentiality, corporate opportunities, and reporting obligations.

Our policies and organizational documents, including the Codes of Conduct referred to above, can be found on our website. Additional information on the Board’s roles and responsibilities appears in “Board Committees” below.

**Future Work of CFA Institute’s ESG Program:**

To supplement the work of the Chief Compliance, Risk, and Ethics Officer, CFA Institute has established the position of Director, Organizational Environment, Social, and Governance (ESG). The Director’s role is to ensure that the organization is positioned as an industry leader in its approach to issues of sustainability, corporate social responsibility, and ethical governance. The Director will be responsible for creating policies and procedures that align the day-to-day operations of CFA Institute with the standards it continues to set in its mission to lead the investment profession globally. Organizational ESG can be thought of as “ethics in action,” and as such, the Director will ensure that CFA Institute continues to fulfill and exceed its rigorous ethical commitments to members, candidates, employees and society alike.

Organizational ESG work in fiscal year 2017 will include the establishment of an innovative investor education program carried out in partnership with local not-for-profits and designed to create meaningful impact in the communities where CFA Institute employees live and work. This effort, our signature “Strategic Community Partnerships” program, reflects the commitment of CFA Institute to exceed the expectations of responsible corporate citizenship in both local and global communities while creating stakeholder value. The Director will also design and implement programs and accountability mechanisms to augment sustainability efforts and to foster governance transparency. These actions enhance the long-term sustainability of CFA Institute.
ENVIRONMENT AND SOCIAL EFFORTS

POST-USE OFFICE RECYCLING
CHARLOTTESVILLE OFFICE
- 460.94 cubic yards total post-use recycling
- 232.88 mixed paper
- 126.39 office paper
- 12.97 cardboard
- 13.07 aluminum
- 15.67 plastics
- 0.72 glass

TOTAL LANDFILL REDUCTION
CHARLOTTESVILLE OFFICE
- 74.8 dumpster loads of landfill waste avoided

ELECTRONICS RECYCLING
CHARLOTTESVILLE OFFICE
- 6,556 pounds of electronics recycled sustainably

COMPOSTING
CHARLOTTESVILLE OFFICE
- 98.4 cubic yards
- 36 cubic yards grading operations

134.4 TOTAL COMPOSTING CUBIC YARDS

DAY OF SERVICE
- 99 staff participated
- 708 hours donated
- 11 organizations aided

HOLIDAY GIFTS
PEOPLE RECEIVING HOLIDAY GIFTS
- 6 coats donated
- 75 angel tree recipients
- 4 blood drives

ITEM DONATIONS
CHARLOTTESVILLE OFFICE
- 3 organizations aided
- 47 items donated

FOOD DONATION
CHARLOTTESVILLE OFFICE
- 5,526 hot meals donated

TOILETRY DRIVE
- 1,329 toiletries donated

FA15: 1 September 2014—31 August 2015
FY15

COMTROLLEGE OOVERANCE
CFA Institute 2016 Proxy Statement

ENVIRONMENT AND SOCIAL EFFORTS

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FY15

COMTROLLEGE OOVERANCE
CFA Institute 2016 Proxy Statement
General

The business and corporate powers of the Institute are exercised by, or under the authority of, the Board of Governors. The Board governs through a policy-based approach in providing strategic leadership and oversight to the organization.

The Board is the highest governing authority of CFA Institute and is responsible for defining its vision, mission, and strategies. The Board is composed of 19 members (18 independent governors who serve in a volunteer capacity and the CEO) from 10 countries: Australia, Canada, China, India, Singapore, Switzerland, Turkey, the United Kingdom, the United Arab Emirates, and the United States.

Composition and Qualifications of Board Members; Selection Process

Nominations are solicited from the membership in order to identify individuals to serve on the Board based on investment industry, governance, and leadership experience; participation in and commitment to CFA Institute and its activities; and the degree to which they can represent the professional diversity of our organization. Each governor is elected by the membership of CFA Institute for a three-year term that runs from 1 September to 31 August.

Fiscal Year 2016 Board Members

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<tr>
<th>AVERAGE SERVICE TENURE</th>
<th>GENDER DIVERSITY</th>
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<td>2.79 YEARS</td>
<td>84% MEN</td>
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<td>16% WOMEN</td>
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EXPERIENCE

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<thead>
<tr>
<th>GOVERNANCE</th>
<th>AUDIT &amp; RISK</th>
<th>STRATEGIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 Governors 84%</td>
<td>3 Governors 16%</td>
<td>3 Governors 16%</td>
</tr>
<tr>
<td>For Profit/Not for Profit Board (Complexity)</td>
<td>Audit; Financial Risk Manager; Accountant; Public Company Standards</td>
<td>Brand; IT; Human Resources; Talent/Change Management</td>
</tr>
</tbody>
</table>

www.cfainstitute.org
When considering individuals for nomination or re-nomination to the Board, the Nominating Committee (NC) reviews the guidance and feedback provided by the Compensation and Governance Committee along with the skills and qualities outlined in the CFA Institute Bylaws. The NC evaluates the candidate pool and makes a recommendation to the Board’s independent governors to approve the slate for election by the membership. The NC believes that the current composition of our Board is appropriate to meet the challenges facing the organization. All of our nominees and continuing Board members are highly regarded leaders with a broad array of skills and qualifications.

Members can recommend candidates for governor to the NC by following the procedures posted on our website.

The Board’s Role and Responsibilities

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

- overseeing our business and operations, including ongoing assessment and management of risk;
- guiding and monitoring management on our strategic, financial, and operating goals and their implementation;
- overseeing compliance, including the integrity of our financial reporting and disclosures;
- talent management, including evaluating, compensating, and succession planning; and
- maintaining effective governance structures and processes, including board composition and refreshment.
The Board’s responsibilities and activities in these areas are discussed below.

**Board Structure and Process**

Our Chair and Vice Chair are independent governors elected by the members of our organization and serve essential roles on our Board. Our President and CEO is the only governor on our Board who is not independent. The remaining 16 governors are independent governors elected by our members.

The Board leadership consists of both Chair and Vice Chair along with the Past Chair, and all serve critical roles for the organization. Each position is a one-year term. This structure allows for sharing and allocation of responsibilities while maintaining continuity of Board leadership engagement.

**Board Leadership Structure**

<table>
<thead>
<tr>
<th>Independent Governors = Chair, Vice Chair, Past Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Governors = 15</td>
</tr>
</tbody>
</table>

Not Independent Governor - President and CEO

**Board Leadership also serves as:**

<table>
<thead>
<tr>
<th>EXECUTIVE COMMITTEE (7 MEMBERS)</th>
<th>COMPENSATION AND GOVERNANCE COMMITTEE (5 MEMBERS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair is the Committee Chair</td>
<td>Past Chair is the Committee Chair</td>
</tr>
<tr>
<td>Vice Chair is a member</td>
<td>Chair is a member</td>
</tr>
<tr>
<td>Past Chair is a member</td>
<td>Vice Chair is a member</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NOMINATING COMMITTEE (7 MEMBERS)</th>
<th>AUDIT AND RISK COMMITTEE (5 MEMBERS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past Chair is the Committee Chair</td>
<td>Vice Chair is a member</td>
</tr>
<tr>
<td>Chair is a member</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PLANNING COMMITTEE (8 MEMBERS)</th>
<th>AWARDS COMMITTEE (5 MEMBERS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair is a member</td>
<td>Vice Chair is the Committee Chair</td>
</tr>
<tr>
<td>Past Chair is a member</td>
<td>Chair is a member</td>
</tr>
</tbody>
</table>

**CHAIR RESPONSIBILITIES:**

- Preside at all Board and member meetings;
- Be the representative of the Board and the Executive Committee;
- Preside at all Executive Committee meetings;
- Regularly meet with the President and CEO and serve as a liaison between the President and CEO and the Board;
- Approve meeting agendas and schedules to ensure that there is appropriate time for agenda items;
- Serve as an ex officio member of the Board of Trustees of the CFA Institute Research Foundation; and
- Serve in an ambassadorial role for the organization.

**VICE CHAIR RESPONSIBILITIES:**

- Perform the duties of the Chair in his or her absence;
- Be the Chair of CFA Institute in the event of the Chair’s incapacity, resignation, removal or death;
- Preside at all Awards Committee meetings;
- Oversee the orientation training program for new incoming governors;
- Serve as an ex officio member of the Board of Trustees of the CFA Institute Research Foundation;
- Serve as an ex officio member of the Standards and Advocacy Advisory Council; and
- Serve in an ambassadorial role for the organization.

**PAST CHAIR RESPONSIBILITIES:**

- Preside at all Compensation and Governance meetings;
- Preside at all Nominating Committee meetings; and
- Serve in an ambassadorial role for the organization.
Board Self-Assessments:

The Board conducts annual self-assessments to evaluate its performance and effectiveness, identify opportunities to enhance performance and effectiveness, and track progress in areas targeted for improvement. The areas covered include Board and Committee composition and processes, collaboration, communication, leadership, and culture, as well as individual contributions.

In addition, the Board leadership conducts interviews with each of the governors to provide feedback on their individual performance and engagement with the Board.

As a result of recent assessments and feedback, the Board has determined to take the following initiatives:

- As part of a broader diversity initiative to bring more women into the investment management profession, the Board has committed to reaching a goal within three years of fiscal year 2016 of no less than 30% of the governors being women;
- Reduce the number of members serving on the Board within three years of fiscal year 2016 to a minimum of 10 governors and to a maximum of 15 governors;
- The option for oversight committee chairs to serve consecutive terms. Those chairs appointed to one-year terms shall now be eligible to be appointed to serve an additional consecutive one-year term;
- The use of independent legal counsel accessible directly by and to the governors at the direction of the Board chair; and
- Review the committee structure of the Board to revise and enhance focus and effectiveness.

Board Committees

The Board utilizes several committees to assist with the fulfillment of its oversight functions.

The table below shows the composition and the number of meetings held by each committee in fiscal year 2015. Information on the current composition of our committees can be found on our website.

FISCAL YEAR 2015 BOARD AND COMMITTEE MEETINGS HELD AND MEMBER ATTENDANCE

<table>
<thead>
<tr>
<th>Governors</th>
<th>Board 7 Meetings</th>
<th>Executive Committee 7 Meetings</th>
<th>Compensation and Governance Committee 6 Meetings</th>
<th>Nominating Committee 8 Meetings</th>
<th>Audit and Risk Committee 10 Meetings</th>
<th>External Relations and Volunteer Involvement Committee 9 Meetings</th>
<th>Planning Committee 8 Meetings</th>
<th>Awards Committee 7 Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giuseppe Balocchi, CFA</td>
<td>7</td>
<td></td>
<td></td>
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<tr>
<td>Heather Brilliant, CFA</td>
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<td></td>
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<tr>
<td>Beth Hamilton-Keen, CFA</td>
<td>7 7 6</td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>Robert Jenkins, FSIP</td>
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<td></td>
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<tr>
<td>James G Jones, CFA</td>
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<tr>
<td>Attila K. Koksal, CFA</td>
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<tr>
<td>Mark Lazberger, CFA</td>
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<td></td>
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<tr>
<td>Fredrick P. Lebel, CFA</td>
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<tr>
<td>Aaron Low, CFA</td>
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<tr>
<td>Colin McLean, FSIP</td>
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<tr>
<td>Scott Proctor, CFA</td>
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<tr>
<td>Sunil Singhania, CFA</td>
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<td></td>
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<tr>
<td>Paul Smith, CFA**</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Lynn Stout</td>
<td>7</td>
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<tr>
<td>Michael G. Trotsky, CFA</td>
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<td></td>
</tr>
<tr>
<td>Charles Yang, CFA</td>
<td>7 7 6 8* 9</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Yu Hua, CFA</td>
<td>6</td>
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</tr>
</tbody>
</table>

* Board and/or Committee Chair.
** Paul Smith was appointed President and CEO on 20 January 2015.
The principal responsibilities of each Committee are as follows:

**EXECUTIVE COMMITTEE**

- Beth Hamilton-Keen, CFA (Chair)
- Heather Brilliant, CFA
- Robert Jenkins, FSIP
- Frederic P. Lebel, CFA
- Aaron Low, CFA
- Colin McLean, FSIP
- Paul Smith, CFA

Roles and Responsibilities
- Managing the Board of Governors’ functions and operations.
- Establishing and maintaining the lines of reporting and responsibility among oversight committees, the Board, and management.

Terms of Reference are posted on our website

**COMPENSATION AND GOVERNANCE COMMITTEE**

- Aaron Low, CFA (Chair)
- Beth Hamilton-Keen, CFA
- Mark Lazberger, CFA
- Frederic P. Lebel, CFA
- Lynn Stout

Roles and Responsibilities
- Setting appropriate compensation and succession planning policies for CFA Institute.
- Evaluating the performance of the President and CEO and setting CEO compensation.
- Evaluating the performance of the Board and individual governors.
- Promoting sound Board and organizational governance.
- Making recommendations to the Board on matters relating to governance of CFA Institute, Board organization, and Board effectiveness.

Terms of Reference are posted on our website

**NOMINATING COMMITTEE**

- Aaron Low, CFA (Chair)
- Beth Hamilton-Keen, CFA
- Daniel Gamba, CFA
- Attila K. Koksal, CFA

Non-Board members
- Aaron Brown, CFA
- Anne-Katrin Scherer, CFA
- Adam S. Thurgood, CFA

Roles and Responsibilities
- Annually proposing Board nominees for the positions of Governor whose terms are expiring and for the positions of Chair and Vice Chair.
- Striving to nominate the very best nominees with the appropriate skill sets and diversity of characteristics appropriate to generate a properly balanced Board.

Terms of Reference are posted on our website

**INVESTMENT COMMITTEE**

- Michael G. Trotsky, CFA (Chair)
- James G. Jones, CFA

Non-Board members
- Simon Cawdery, CFA
- Bob Dannhauser, CFA
- Tony Tan, CFA

Roles and Responsibilities
- Providing strategic direction and oversight of the CFA Institute reserves.

Terms of Reference are posted on our website
### Audit and Risk Committee

**Roles and Responsibilities**
- Overseeing financial and audit systems for financial integrity.
- Overseeing processes for monitoring compliance as it relates to financial integrity.
- Evaluating and monitoring risks.
- Retaining, oversight, etc., of external auditor

**Terms of Reference** are posted on our website

**Committee Members**
- Colin McLean, FSIP (Chair)
- Frederic P. Lebel, CFA
- Scott Proctor, CFA
- Sunil Singhania, CFA
- George Spentzos, CFA, FSIP

### External Relations and Volunteer Involvement Committee

**Roles and Responsibilities**
- Overseeing the relationships with all stakeholders, internal and external.
- Overseeing the relationships with the financial services industry, the public, and governments.
- Overseeing the processes that ensure volunteer service with CFA Institute is a productive and satisfying experience.

**Terms of Reference** are posted on our website

**Committee Members**
- Heather Brilliant, CFA (Chair)
- James G. Jones, CFA
- Attila K. Koksal, CFA
- Paul Smith, CFA
- Zouheir Tamim El Jarkass, CFA
- Michael G. Trotsky, CFA
- Yu Hua, CFA

### Planning Committee

**Roles and Responsibilities**
- Overseeing the strategic direction, mission, and vision.
- Overseeing the annual financial plans, including capital investment plans.
- Overseeing the goals and targets adopted by the Board to meet objectives.

**Terms of Reference** are posted on our website

**Committee Members**
- Robert Jenkins, FSIP (Chair)
- Giuseppe Ballocchi, CFA
- Danial Gamba, CFA
- Beth Hamilton-Keen, CFA
- Mark Lazberger, CFA
- Aaron Low, CFA
- Paul Smith, CFA
- Lynn Stout

### Awards Committee

**Roles and Responsibilities**
- Supporting CFA Institute’s leadership position in the investment profession by recognizing individuals whose achievements, examples, or contributions have helped raise the standards of education, integrity and professional excellence.

**Terms of Reference** are posted on our website

**Committee Members**
- Frederic P. Lebel, CFA (Chair)
- Beth Hamilton-Keen, CFA
- Sunil Singhania, CFA
- Paul Smith, CFA
- Michael G. Trotsky, CFA

* New Committee commencing in fiscal year 2016
Meetings and Attendance

In fiscal year 2015, the Board met seven times (three in-person and four teleconferences), and average attendance at Board meetings was 88%. Each in-person meeting consisted of three days of discussions, with committee meetings running for approximately three hours, and the full Board meetings running for approximately eight hours. Each teleconference lasted approximately one hour in duration.

Board Expenses

As a global organization, CFA Institute strives for global representation in its governance structure. During fiscal year 2015, the organization’s 17 Board members resided in 10 countries. Throughout the fiscal year, their uncompensated service to the organization required travel to meetings held in Turkey, the United States, and Canada. Three incoming Board members also attended one of these in-person meetings. Board members undertake significant travel on behalf of the organization for various purposes throughout the year, including a wide variety of candidate, member, and media engagement activities; attendance at global and regional member society meetings; presentations at conferences and CFA Program charter award ceremonies; learning opportunities to further the organization’s governance best practice; and meetings with regulators, employers, and universities worldwide.

A breakdown of Board expenditures for fiscal year 2015 follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Board Meetings</th>
<th>Outreach Activities</th>
<th>Total Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>261,092</td>
<td>270,926</td>
<td>532,018</td>
</tr>
<tr>
<td>Lodging &amp; Meals</td>
<td>261,658</td>
<td>82,141</td>
<td>343,799</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>522,750</td>
<td>353,067</td>
<td>875,817</td>
</tr>
</tbody>
</table>
Proposal 3: Ratification of Selection of Independent Registered Public Accounting Firm for Fiscal Year 2016

The Audit and Risk Committee (ARC) has appointed PricewaterhouseCoopers LLP as the organization’s independent public accounting firm to perform the fiscal year 2016 audit of CFA Institute consolidated financial statements. We are not required to submit this appointment to ratification by the members. However, if the members do not ratify this appointment, it may be reconsidered by the ARC. Moreover, the ARC, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interest of CFA Institute and its members.

Audit and Risk Committee

REPORT

The Audit and Risk Committee is composed of five Governors who are independent of CFA Institute management and are free of any relationship that, in the opinion of the Board, would interfere with their exercise of independent judgment as Committee members. The Audit and Risk Committee members’ professional biographies along with the Terms of Reference, adopted by the Board for the ARC, are available on our website.

AUDIT AND RISK COMMITTEE FISCAL YEAR 2016
Colin McLean, FSIP (Chair)
Frederic P. Lebel, CFA
Scott Proctor, CFA
Sunil Singhania, CFA
George Spentzos, CFA, FSIP

The Board has determined that four of five Audit and Risk Committee members satisfy the financial literacy requirements of the NYSE and have the requisite experience to be designated an “audit committee financial expert,” as that term is defined by rules of the SEC. The following members meet the requirements: Colin McLean, FSIP; Frederic P. Lebel, CFA; Scott Proctor, CFA; and Sunil Singhania, CFA.

Management is responsible for the preparation, presentation, and integrity of the financial statements of CFA Institute and for maintaining appropriate accounting and financial reporting policies and practices as well as internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The CFA Institute independent public accounting firm (independent auditor), PricewaterhouseCoopers LLP (PwC), is responsible for auditing the consolidated financial statements of CFA Institute and expressing an opinion as to their conformity with generally accepted accounting principles (GAAP).

In performing its oversight function, the Audit and Risk Committee held ten meetings (five in-person and five teleconferences) in fiscal year 2015. The ARC met with management and PwC to discuss the audit of the Consolidated Financial Statements as of and for the periods ending 31 August 2015 and 2014. The ARC subsequently met in executive session with PwC to discuss matters required under auditing standards generally accepted in the United States, including those matters set forth in AU-C 260, The Auditor’s Communication with Those Charged with Governance. PwC made all required auditor communications as well as provided all required disclosures regarding their independence from CFA Institute to the ARC.

The audit was completed on time with no disagreements with management and no material weaknesses were noted in internal controls over financial reporting. PwC provided an unqualified opinion on the consolidated financial statements of CFA Institute.

Based on the review and discussions noted above, the ARC recommended to the Board that the audited CFA Institute Consolidated Financial Statements as of 31 August 2015 and 2014 be included in the annual report.
APPOINTMENT OF THE INDEPENDENT PUBLIC ACCOUNTING FIRM

The Audit and Risk Committee has appointed PricewaterhouseCoopers LLP as the organization’s independent public accounting firm for fiscal year 2016. The Audit and Risk Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interest of CFA Institute and its members.

In determining whether to reappoint the independent auditor, the Audit and Risk Committee annually considers several factors, including:

- The length of time that the firm has been engaged;
- The firm’s independence and objectivity;
- The firm’s global capacity, expertise, and reputation as required for CFA Institute global operations;
- Historical and recent performance and the organization’s satisfaction thereof;
- Data related to audit quality and performance, including recent Public Company Accounting Oversight Board (PCAOB) inspection reports on the firm; and
- Competitiveness and delivered value of quoted fees.

The Audit and Risk Committee has advised the Board that, in its opinion, the non-audit services rendered by PricewaterhouseCoopers LLP during the most recent fiscal year are compatible with maintaining their independence. PricewaterhouseCoopers LLP has been the organization’s independent auditor since 2002.

FEES PAID TO PRICEWATERHOUSECOOPERS LLP

The following is a summary and description of fees for services provided by PwC for fiscal years ended 31 August 2015 and 2014 (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit (a)</td>
<td>$176</td>
<td>$249</td>
</tr>
<tr>
<td>Audit related (b)</td>
<td>43</td>
<td>38</td>
</tr>
<tr>
<td>Tax (c)</td>
<td>151</td>
<td>94</td>
</tr>
<tr>
<td>Total</td>
<td>$370</td>
<td>$381</td>
</tr>
</tbody>
</table>

(a) Aggregate fees for professional services rendered for the integrated audit of the consolidated financial statements of CFA Institute, the standalone financial statements of CFA Institute Research Foundation, and, as required, statutory audits of various international subsidiaries.
(b) Fees for professional services rendered for the 401(k) audit for CFA Institute standalone.
(c) Aggregate fees for professional services rendered for informational and tax return preparation and filing and tax advice relating to domestic and international issues.

AUDIT AND RISK COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

The Audit and Risk Committee has established a policy requiring its pre-approval of audit and non-audit services provided by the independent auditor. The policy describes the audit, audit-related, tax, and other services that may be provided and sets forth the pre-approval requirements for all permitted services. The policy provides for the general pre-approval of specific types of audit, audit-related, and tax services and a limited aggregate threshold for such services on an annual basis. The policy requires specific pre-approval of all other permitted services. The independent auditor is required to report periodically to the Audit and Risk Committee regarding the extent of services provided in accordance with their pre-approval and the fees for the services performed to date.
EXECUTIVE SUMMARY

Mission Statement

To lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society

Our Organization

CFA Institute is a global, not-for-profit organization that has evolved to become the world’s largest association of investment professionals with more than 134,000 members and 146 affiliated local member societies.

This stated purpose results from our collective values and vision for an organization that serves both industry professionals and contributes value to society through the professional practice of investment management.

We offer a range of educational and career resources, including the Chartered Financial Analyst® (CFA) designation, the Certificate in Investment Performance Measurement (CIPM) designation, and the Claritas Investment Certificate.

Business Highlights for Fiscal Year 2015

CFA Institute experienced a very positive year in fiscal year 2015, with a balanced approach toward advancing the organization’s mission and maintaining a sound, long-term financial foundation. The organization seeks to maximize a “return on mission” for members and constituents while maintaining long-term financial viability. The focus on mission return guides organizational investment and activities across all areas of the organization, from information technology to advocacy and education. The year-end realized consolidated income from operations was $22.2 million.

- CFA Program exam administrations increased 7% to 224,000 candidates, versus fiscal year 2014.
- The June 2015 exam represented the largest exam administration in the 50-year history of the CFA Program.
- New Level I exam administrations increased 10% versus fiscal year 2014.
- The Certificate in Investment Performance Measurement (CIPM®) Program saw a 25% increase in new candidates entering the program.
- Fiscal year 2015 marked the second full year of the Claritas® Investment Certificate, a global self-study program launched in May 2013. More than 4,600 candidates from over 80 countries registered for the Claritas Program and nearly 4,400 exams were administered.
- CFA Institute opened offices in Beijing, China and Mumbai, India, extending our global presence and recognizing the importance of our work in the Asia Pacific region.
- CFA Institute membership grew 6% in fiscal year 2015, to 134,800 members, up from 127,800 members in fiscal year 2014.

For more details, please refer to the 2015 Annual Report posted on our website

Philosophy and Objectives of Our Executive Compensation Program

The CFA Institute compensation philosophy is designed to help attract, motivate, and retain top-level executive talent necessary to deliver sustained high performance to our members and stakeholders.

Overall, the same principles that govern the compensation of all our salaried employees apply to the compensation of our executives. Within this framework, we observe the following principles:

- Strive to provide compensation programs that support the strategic goals of the organization, are competitive with external markets, and are equitable internally
- Reinforce a results-oriented culture through differentiated performance rewards that also recognizes the means by which an individual accomplishes those results
• Attract and retain top talent that is motivated by the organization’s mission
• Establish global consistency in the design of our compensation programs while recognizing the need to reflect local practices where necessary
• Balance addressing the need to attract talent from industry, while simultaneously recognizing the non-profit structure of our business when designing pay practices
• Administer compensation programs in a manner that is consistent, fair, and free from discrimination

CFA Institute generally targets total compensation positioned between the 50th and 75th percentiles on a blended basis relative to comparable not-for-profit and for-profit companies for its executives.

How we make Executive Compensation Decisions

Role of the Compensation and Governance Committee

Our Compensation and Governance Committee (CGC) is comprised of five governors who are independent of the management of CFA Institute, and are free of any relationship that would interfere with their exercise of independent judgment.

Executives at the CFA Institute are comprised of the President and CEO, and Managing Directors. The CGC sets the compensation of the CEO, including any incentive, and engages independent consultants as needed to provide compensation recommendations. The CGC also approves the compensation plan for the organization for implementation by the CEO, the aggregate amount of merit increases, and the amount of the incentive pool for employees.

Starting fiscal year 2016, there will be increased oversight provided by the CGC. Performance shall be at the forefront of the executive compensation program. This performance orientation will be demonstrated by strengthening the link between performance and compensation decisions. There will be a strong focus on goal development for executives that shall involve careful consideration to the selection of the right metrics and performance assessment criteria. There will be an increased effort to recognize the needs of the organization keeping in mind both financial and strategic priorities while creating value for our members.

CEO goals will require CGC approval prior to the beginning of each fiscal year. At the end of the year, the CGC will weigh the organization’s overall performance, progress toward strategic objectives in addition to individual performance to determine the compensation for the CEO.

The Chief Legal Officer and Chief Compliance, Risk and Ethics Officer positions reporting into the Board will also require CGC approval for decisions related to goals, performance evaluation, and compensation.

Role of the CEO

For other executives outside of the CEO, Chief Legal Officer, and Chief Compliance, Risk and Ethics Officer positions, the CGC will review their goals and performance priorities prior to the beginning of each fiscal year to ensure focus and accountability.

At the end of the performance cycle, the CEO will review his assessment of each executive’s individual performance and his compensation recommendations with the CGC before confirming these decisions.

Compensation actions are determined based on each executive’s contribution, individually and collectively as an executive team, to the successful execution of CFA Institute’s strategic goals for the year and long-term strategy and internal equity factors. Other considerations related to making compensation decisions include factors such as individual experience, individual performance, internal pay equity, development and succession status, time in the position, and other individual or organizational circumstances.

Our CEO does not play any role with respect to any matter affecting his own compensation.
Benchmarking

The CGC ensures that independent comparative compensation studies are conducted every three years to gauge the competitiveness of executive compensation at CFA Institute. The most recent executive market pay study was conducted in fiscal year 2014, when CFA Institute retained McLagan Partners, a global management consulting firm to provide competitive pay benchmarks that reflected the markets from which CFA Institute would most likely recruit its executive talent.

There are a limited number of companies that closely resemble CFA Institute in size, scope, and nature of business operations. Peer group selection spanned different industry sectors, including not-for-profit firms, financial services firms, academia and higher education, and general industry. Where possible, McLagan assembled data from peer organizations:

- Of similar size and complexity;
- With similar global scale and scope;
- That employ a similar talent profile; and
- With a similar mission-driven membership/education focus.

The approach was to obtain a range of reference points that give an indication of market conditions and pay practices across various sectors. The CGC then discussed and evaluated how CFA Institute’s CEO and other executive positions compare to these market positions and organizations that comprise the benchmarks.

<table>
<thead>
<tr>
<th>Not-for-Profit</th>
<th>Financial Services</th>
<th>Academia/Higher Ed</th>
<th>General Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer companies based on mission, revenue, headcount, and global presence</td>
<td>Focusing on investment management firms, competitive market data was provided for the firm-wide chief executive position as well as select other senior executive positions</td>
<td>Pay data included positions from university president, business school deans, and where available, top finance administrative positions</td>
<td>Pay data included general industry CEO pay levels from U.S., London, and Hong Kong markets</td>
</tr>
<tr>
<td>Pay data was collected from publicly disclosed IRS form 990s</td>
<td>Data was summarized by location and size of organization</td>
<td>Third-party survey data was used focusing on PhD-granting universities</td>
<td>Data was sourced from third-party general industry survey providers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Publically disclosed pay data was used, focusing on the top 50 business schools</td>
<td>This data is a mix of for profit and not-for-profit firms</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Analysis focused on similarly sized organizations</td>
</tr>
</tbody>
</table>

Data reported in the study included the compensation elements of base salary, total cash compensation, and total direct compensation as well as retirement and benefit information for the not-for-profit sector. The not-for-profit organizations that were benchmarked and compared for relevance are as follows:

- American Bankers Association
- American Bar Association
- American Inst. for Research in the Behavioral Sciences
- American Institute of Certified Public Accountants
- American Petroleum Institute
- College Entrance Examination Board
- Conference Board, Inc.
- Educational Testing Service
- Financial Industry Regulatory Authority
- Graduate Management Admission Council
- Institute of International Education
- Investment Company Institute
- Mortgage Bankers Association of America
- National Federation of Independent Business
- National Futures Association
- Project Management Institute
- RAND Corporation
The McLagan study found CFA Institute’s compensation programs to be well aligned to the market falling between the 50th and 75th percentiles of competitive practices for comparable positions in the not-for-profit sector. CFA Institute’s positioning relative to the market composite comprising all four industry sectors mentioned above was also found to be competitive.

McLagan performed this study on an independent fee basis. Separately, the consulting firm of Steve Hall and Partners served as advisors to the CGC, helping to interpret how the reported market data applies to CFA Institute’s executive positions. The next executive market pay study will be conducted in fiscal year 2017.

CEO Transition

Dwight Churchill, CFA, was appointed by the Board of Governors to serve as the President and CEO of CFA Institute, on an interim basis, following the departure of John Rogers, CFA, in June 2014. His interim role ended in January 2015 when Paul Smith, CFA, assumed the position of the President and CEO. While serving as President and CEO, Mr. Churchill’s employment was on a month-to-month basis and his compensation was set at $50,000 per month. He was entitled to the benefits provided to full-time, temporary employees of CFA Institute. There was no incentive compensation or 401(k) ‘restoration pay’ associated with his employment.

A Search Team appointed by the Board went through a comprehensive and thoughtfully planned search process to identify a new leader for CFA Institute. Prior to taking the role of President and CEO, Mr. Smith served as Managing Director for Asia Pacific Operations, overseeing CFA Institute’s expansion into China and India. He later also assumed the leadership of the Institutional Partnerships division, which is responsible for engagement with key firms, groups, and associations in the global investment industry. The CEO offer terms were determined by the Board. Mr. Smith’s base salary upon promotion to CEO was agreed at $600,000 with a maximum annual incentive opportunity of 100% and long-term incentive opportunity at the same level (10%) as other executives. For fiscal year 2015, his offer guaranteed an annual incentive at 70% of base salary received during the fiscal year. For fiscal year 2016, the target incentive opportunity has been established at 85% with a guaranteed minimum of 70%. For fiscal year 2017 and beyond, there are no guarantees or established targets. Mr. Smith is based in Hong Kong.

Executive Departures in Fiscal Year 2015 and Fiscal Year 2016

Tom Robinson, CFA, CPA, left CFA Institute effective 30 January 2015 after eight years of service to pursue another opportunity. He joined CFA Institute in 2007 to focus on the content side of educational programs and subsequently assumed responsibility for the entire division. Mr. Robinson also served as Managing Director of the Americas, providing vision and leadership to the organization’s largest region. Prior to his departure, Mr. Robinson also provided oversight for Candidate and Member Services globally and served as co-executive sponsor of CFA Institute’s Future of Finance initiative.

Jan Squires, CFA, DBA, who most recently served as the Managing Director of Strategic Products and Technology division, retired effective 31 August 2015 after an extensive tenure spanning 16 years at CFA Institute. During his career at the Institute, Mr. Squires made significant contributions to further the work of the organization and held various offices including Managing Director of Asia Pacific Operations, and head of Exam Development for the CFA Program. His transition plan was approved by the CGC in the third quarter of fiscal year 2015 with separation targeted for fiscal year-end. In addition to year-end annual and long-term incentive awards, the transition plan provided Mr. Squires with a severance package structured to replace one year of compensation and benefits (reported on summary table). The package was consistent with best practices and prior CFA Institute packages for senior leadership transitions.

Ashvin Vibhakar, CFA, who recently served as a senior advisor for our Future of Finance initiative, retired effective 31 August 2015. Prior to that role, he served as the Managing Director of Asia Pacific Operations and was instrumental in strengthening our relationships with member societies in the region. The terms of Mr. Vibhakar’s phased retirement plan were agreed by the Board and executed over a course of three years ending 31 August, which allowed the organization to retain his expertise and experience on key initiatives.
Ray DeAngelo, serving in an interim capacity as the Managing Director of the Relationship Management division and overseeing the Service Delivery function for a short period of time, will be retiring in the second quarter of fiscal year 2016. His tenure at the Institute spans 25 years. Prior to this interim role, Mr. DeAngelo was responsible for the Stakeholder Services, Marketing, and Communications division of CFA Institute. He also played a pivotal role in reshaping and relaunching the standard setting and policy arm of CFA Institute, with the aim to develop timely, practical solutions to global capital market issues.

Tim McLaughlin, CFA, CPA, will be retiring as the Chief Administrative Officer and Chief Financial Officer effective 31 August 2016. His tenure at the Institute spans 17 years. Mr. McLaughlin has provided consistent leadership and guidance over the years as the organization grew and expanded its outreach, opened new offices, and advanced its mission. His contributions have played a key role in the transformation from a small organization to the global organization that CFA Institute is today. To ensure appropriate transition and leadership, Sandra Peters, CFA, CPA, assumed the role of interim Chief Financial Officer effective 1 March 2016. Ms. Peters joined CFA Institute in 2009 as the Head of Global Financial Reporting Policy. Her CFA Institute experience combined with her financial services business acumen and prior work experience position her well for this interim assignment.

Executive Hires in Fiscal Year 2015 and Fiscal Year 2016

Sheri Littlefield-Moreno joined the organization as Chief Legal Officer on 17 June 2015. She will be based in our Charlottesville office and oversee all legal matters on a global basis and serve as advisor to CFA Institute leadership and to the Board. Ms. Littlefield-Moreno will help improve our governance and move us further along the path to an infrastructure that is appropriate for a company of our nature. This position reports dually to the CEO and to the Chair of the Executive Committee of the Board.

Darin Goodwiler joined CFA Institute on 21 September 2015 (fiscal year 2016 hire) as the Chief Compliance, Risk, and Ethics Officer. He will be based in our Charlottesville office and responsible for providing a comprehensive, global compliance and risk management framework, and strategy for CFA Institute, its member societies, and affiliations. Mr. Goodwiler will also be responsible for moving the organization forward in terms of its compliance culture and programs and risk management planning. This position reports dually to the CEO and to the Chair of the Audit and Risk Committee of the Board.

Michael J. Collins joined CFA Institute on 13 January 2016 (fiscal year 2016 hire) as the Managing Director of the Services Delivery division, which includes the functions of Marketing and Communications, Multimedia Production, and the Contact Center. He will be based in our New York office and focus on serving both the internal clients of Services Delivery and delivering on the needs of our external stakeholders.

The following four leadership positions are expected to be filled in fiscal year 2016:

- Chief Financial Officer
- Managing Director, APAC
- Managing Director, EMEA and
- Managing Director, Relationship Management

Strategic Vision and Performance Priorities

One of the key goals for the new President and CEO was to prepare the organization for future opportunities and challenges by leveraging the organizational strategy and ensuring that a structure was put in place to support that strategy. In June of 2015, keeping the evolving demands of the industry in mind, a new internal organizing framework was announced that identified the three strategic functions that will help realize the Institute’s mission. They are: Credentialing, Member Value, and Standards and Advocacy. Driven by sub-missions, each of these functions will strive to generate impact in the marketplace.

The new framework also requires a conscious shift of the organization’s global operating model to increase direction and accountability from a regional perspective while recognizing the need for global functional consistency. The Americas region was formalized in a fashion similar to the EMEA and APAC regions in order to better deliver on long-term regional strategic plans.
In addition to stabilizing the new framework and establishing regional development plans, there will be an increased focus on talent development. The President and CEO will be looking to build and enhance the senior Leadership Team, improving employee engagement, and establishing a more open and transparent corporate culture. There is also a priority on improving the compliance, risk management, and governance framework for the organization.

<table>
<thead>
<tr>
<th>Sub-Mission</th>
<th>Tactics</th>
<th>Impact Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credentialing (Develop)</td>
<td>To develop future investment management industry professionals</td>
<td>• Develop and deliver market-leading credentialing programs based on relevant investment management competencies • Market Presence/Penetration in Investment Management (Candidates and Charterholders) • Market Value/Salary Data • Candidate Satisfaction (Relevance and Quality) • Employer Satisfaction • Regulatory Waivers weighted by market size</td>
</tr>
<tr>
<td>Member Value (Deliver)</td>
<td>To support members in their professional practice</td>
<td>• Education: provide opportunities for continuing professional development • Recognition: raise awareness and value of the CFA designation • Affiliation: enable affiliation and engagement • Conduct: promote and enforce professional conduct • The following metrics relate to CFA Institute and CFA Societies – Membership Renewals – Membership Growth – Membership Satisfaction – Brand Awareness</td>
</tr>
<tr>
<td>Standards and Advocacy (Build)</td>
<td>To shape an investment management industry which works in the best interest of investors</td>
<td>• Promote and publicly disseminate thought-provoking advocacy and content that may sometimes be controversial • Create professional standards and practitioner tools • Deliver actionable, innovative outputs • Partner to impact regulations that improve investor protection, ethical practices, market fairness, and investor outcomes • Effective Employer Relationships/Engagement • Thought Leadership (Invitations to targeted events, legislative testimony, earned media in targeted outlets, joint events with targeted partners) • Positive Change for Investors (impact on regulator actions, code and standard adoptions, regulatory waivers weighted by market size)</td>
</tr>
</tbody>
</table>

Compensation Pay Elements

The principal elements of an executive’s compensation consist of:

<table>
<thead>
<tr>
<th>Pay Component</th>
<th>Purpose</th>
<th>2015 Compensation Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Base Salary</td>
<td>Regular annual salary of the executive</td>
<td>Provides fixed level of competitive compensation to attract, motivate, and retain executive talent • Compensates executives for their level of responsibility, relative expertise, and experience</td>
</tr>
<tr>
<td>Annual Incentive Plan</td>
<td>Offers opportunities that are set as a percentage of base salary</td>
<td>Motivates and rewards executives for achieving annual organizational objectives aligned with value creation • Recognizes individual contributions to organizational performance</td>
</tr>
</tbody>
</table>
### Pay Component

<table>
<thead>
<tr>
<th>Pay Component</th>
<th>Purpose</th>
<th>2015 Compensation Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long-Term Incentive (LTI)</strong></td>
<td>Motivates and rewards the achievement of long-term strategic objectives</td>
<td>Eligible executives received 10% LTI for fiscal year 2015</td>
</tr>
</tbody>
</table>

Incentive amount is determined over a three-year period and is based on the achievement of strategic goals, executive’s contribution to the strategic plan, and demonstration of senior management leadership behaviors.

The maximum annual long-term incentive is 10% of the average base salary earned over the three-year period.

Eligibility requires the individual to be at an executive level position for three years to receive an LTI payment.

### Retirement Program

CFA Institute provides a retirement plan, and for executives paid through U.S. payroll, profit-sharing contributions made by CFA Institute to the 401(k) plan on eligible earnings include a fixed 5% contribution and a variable, discretionary contribution that is approved annually by the CGC. For calendar year 2014, the discretionary contribution was 7%, contributed in January 2015. These contributions were made to all eligible employees of CFA Institute on the same basis.

Compensation used for calculating 401(k) contributions is restricted by the annual U.S. IRS limit on compensation. A 401(k) restoration benefit provides for an additional cash payment, equal to the 401(k) contributions for which employees qualify but cannot receive because of the U.S. IRS limit on eligible annual compensation.

A deferred compensation plan is also offered. Participation is voluntary and restricted to the President and CEO and Managing Directors domiciled in the U.S. Contributions are limited to those made by the executive; CFA Institute neither contributes to this plan nor guarantees investment returns or protection of principal.

For Hong Kong, profit-sharing contributions made by CFA Institute to a mandatory provident fund (MPF) plan on eligible earnings include a fixed 5% contribution and a variable, discretionary contribution that is approved annually by the CGC. For calendar year 2014, the discretionary contribution was 7%, contributed in January 2015. The contributions were made to all executives and all eligible employees of CFA Institute on the same basis, and were inclusive of statutory MPF contributions.

Profit-sharing contributions for the U.K. based executive are set at a fixed 15%.

### Other Benefits/Allowances

As a global organization, CFA Institute invests in global talent development through leadership development programs, international rotations, and the assignment of global strategic projects to ensure a strong and capable next generation of leaders and a consistent level of member service globally.

Employees who engage in an international assignment are provided allowances and supplemental benefits necessary to assist them and their families with integrating and adjusting to their new environment. Allowances are analyzed on an annual basis and are paid to neutralize the effects of higher living, housing, and income tax costs. Supplemental benefits include such items as cross-cultural and language training. The intent is to minimize financial hardship or unintended gain for the employee while also minimizing expense for CFA Institute and enabling accomplishment of our mission.

CFA Institute also offers benefit plans including health insurance, life insurance, short- and long-term disability insurance, and wellness reimbursements. Senior executives, including the President and CEO, participate in these plans on the same terms as other employees, except for being eligible for a higher level of life insurance than other employees.

### Post-Employment Payments

CFA Institute retains the flexibility to set the terms of any employment termination based on particular facts and circumstances. There are no individual agreements with the CEO or any executive guaranteeing post-employment payments, but CFA Institute will offer fair transition packages to departing executives when appropriate. In the event of an involuntary termination due to staff reduction, position elimination, closure of a business unit or restructuring, or such other circumstances that are deemed appropriate, the organization’s guidelines for executives would typically involve a benefit equal to three weeks’ salary per year of service up to a maximum benefit of 52 weeks’ salary. The transition package would also include extension of healthcare benefits for the duration of the severance pay period, a pro-rated bonus, and outplacement services. Additional severance could be granted if the termination date falls within six months of vesting for the U.S. 401(k) plan.
## Compensation Summary for Fiscal Year Ended 31 August 2015

<table>
<thead>
<tr>
<th>Name and Position</th>
<th>Base Salary (1)</th>
<th>Incentive (2)</th>
<th>Long-Term Incentive (3)</th>
<th>Retirement Restoration (4)</th>
<th>Retirement Plan Contributions (5)</th>
<th>Other (6)</th>
<th>Fiscal Year 2015 Total (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwight Churchill, CFA (interim) President &amp; CEO</td>
<td>$231,818$</td>
<td></td>
<td></td>
<td>$6,318</td>
<td></td>
<td></td>
<td>$238,136</td>
</tr>
<tr>
<td><strong>Paul Smith, CFA</strong> President &amp; CEO</td>
<td>$516,156</td>
<td>$381,097</td>
<td>$43,893</td>
<td></td>
<td>$118,535</td>
<td>$79,521</td>
<td>$1,139,202</td>
</tr>
<tr>
<td><strong>Timothy G. McLaughlin, CFA, CPA</strong> Chief Administrative Officer, Chief Financial Officer, Managing Director, Finance &amp; Corporate Support</td>
<td>$334,750</td>
<td>$150,638</td>
<td>$33,475</td>
<td>$30,464</td>
<td>$31,800</td>
<td></td>
<td>$581,127</td>
</tr>
<tr>
<td><strong>Jan Squires, CFA, DBA</strong> Managing Director, Strategic Products &amp; Technology</td>
<td>$356,776</td>
<td>$170,568</td>
<td>$37,080</td>
<td>$13,235</td>
<td>$14,786</td>
<td>$644,294</td>
<td>$1,236,739</td>
</tr>
<tr>
<td><strong>Ray DeAngelo</strong> Managing Director, Relationship Management</td>
<td>$370,800</td>
<td>$148,320</td>
<td>$37,080</td>
<td>$34,944</td>
<td>$31,800</td>
<td></td>
<td>$622,944</td>
</tr>
<tr>
<td><strong>Kurt Schacht, CFA</strong> Managing Director, Standards &amp; Advocacy</td>
<td>$370,800</td>
<td>$129,780</td>
<td>$37,080</td>
<td>$32,719</td>
<td>$31,800</td>
<td></td>
<td>$602,179</td>
</tr>
<tr>
<td><strong>Donna Marshall</strong> Managing Director, Human Resources</td>
<td>$311,000</td>
<td>$190,500$</td>
<td>$29,367</td>
<td>$31,904</td>
<td>$31,670</td>
<td></td>
<td>$594,441</td>
</tr>
<tr>
<td><strong>Nitin Mehta, CFA</strong> Managing Director, Member Value</td>
<td>$331,639</td>
<td>$115,192</td>
<td>$32,912</td>
<td></td>
<td>$71,961</td>
<td></td>
<td>$551,704</td>
</tr>
<tr>
<td><strong>Elaine Cheng</strong> Managing Director, Information Technology Chief Information Officer</td>
<td>$280,000</td>
<td>$126,000</td>
<td>$26,000</td>
<td>$20,040</td>
<td>$31,650</td>
<td>$43,834</td>
<td>$527,524</td>
</tr>
<tr>
<td><strong>Steve Horan, CFA, CIPM</strong> Managing Director, Credentialing</td>
<td>$300,000</td>
<td>$114,000</td>
<td>$29,815</td>
<td>$21,458</td>
<td>$31,800</td>
<td>$17,268</td>
<td>$514,341</td>
</tr>
<tr>
<td><strong>John Bowman, CFA</strong> Managing Director, Americas</td>
<td>$275,000</td>
<td>$96,250</td>
<td>$27,260</td>
<td>$16,021</td>
<td>$31,800</td>
<td></td>
<td>$446,331</td>
</tr>
<tr>
<td><strong>Ashvin Vibhakar, CFA</strong> Managing Director, Senior Advisor</td>
<td>$197,760</td>
<td>$79,104</td>
<td>$26,368</td>
<td>$7,910</td>
<td>$22,084</td>
<td></td>
<td>$333,226</td>
</tr>
<tr>
<td><strong>Tom Robinson, CFA, CPA</strong> Managing Director</td>
<td>$154,167</td>
<td></td>
<td></td>
<td>$14,800</td>
<td>$5,411</td>
<td></td>
<td>$174,378</td>
</tr>
<tr>
<td><strong>Sheri Lynn Littlefield-Moreno</strong> Managing Director, Chief Legal Officer</td>
<td>$59,318</td>
<td>$60,000</td>
<td></td>
<td></td>
<td>$119,318</td>
<td></td>
<td>$119,318</td>
</tr>
</tbody>
</table>
(1) Fiscal year 2015 salary paid in fiscal year 2015.
(2) Fiscal year 2015 incentive earned in fiscal year 2015, paid in fiscal year 2016.
(3) Fiscal year 2015 LT incentive earned in fiscal year 2015, paid in fiscal year 2016.
(4) Fiscal year 2015 restoration earned in fiscal year 2015 (amount paid in cash in lieu of employer contributions into the 401(k) if the U.S. IRS earnings limit did not apply).
(5) 5% & 7% pension earned in fiscal year 2015 capped at $255,000 in earnings for calendar year 2014 and $260,000 for calendar year 2015. U.S. executives receive restoration to compensate them for the unfunded pension contribution due to salary limits. Mr. Smith is based in Hong Kong and there is no salary limit on pension contributions. He is not eligible for a restoration payment.
(6) Reported if total value is $10,000 or more and could include PTO payout, severance payment, gross-ups and reimbursements for the payment of taxes, executive life insurance, expatriate allowance, and other earnings. For Mr. Smith, the amount shown includes special incentive of $30,228 based on his previous employment contract, $30,753 in tax gross-ups, $18,085 in taxable airfare, and $455 in executive life premium. For Mr. Squires, the amount shown includes a severance payment of $603,368, PTO payout of $40,159 and executive life premium of $767. He exited the organization effective 31 August 2015. His tenure lasted more than 16 years. For Ms. Cheng, the amount shown includes $11,762 in tax gross-ups, $31,584 in taxable airfare, and $488 in executive life premium. For Mr. Horan, the amount shown includes $5,755 in tax gross-ups, $11,195 in taxable airfare, and $318 in executive life premium.
(7) Fiscal year 2015 total represents total value of columns 1-6.
(8) Mr. Churchill served as the President and CEO on an interim basis from 1 June 2014 to 20 January 2015. During this time, his compensation was set at $50,000 per month. He was entitled to benefits provided to full-time, temporary employees of the CFA Institute. There was no incentive compensation or 401(k) "restoration pay" associated with his employment.
(9) Mr. Smith assumed the role of the President and CEO effective 20 January 2015. Prior to that, he was the Managing Director for CFA Institute’s Asia Pacific Operations. The data reflects combined earnings of both the positions he held in fiscal year 2015. Mr. Smith is paid in Hong Kong dollars. The USD equivalents are shown in the table above.
(10) Includes special one-time bonus of $35,000; incentive award was $155,500.
(11) Mr. Mehta is paid in British Pounds. The USD equivalents are shown in the table above.
(12) Ms. Littlefield-Moreno joined the organization in June 2015 and the amounts are reflective of paid compensation in fiscal year 2015. $60,000 as reported in the incentive column reflects new hire sign-on bonus.
INFORMATION ABOUT THE MEETING AND VOTING

**Recommendations**

The CFA Institute Board of Governors recommends that each Regular Member vote FOR (i) the election of the nominees for Chair and Vice Chair, (ii) the election of the five nominees to become members of the Board, and (iii) the ratification of the external auditor.

**Quorum**

For business to be transacted at the Annual Meeting of Members, 10% of CFA Institute Regular Members must be represented in person or by proxy.

**Voting**

Each Regular Member will be entitled to one vote with respect to each matter considered at the meeting. The election of the Chair, Vice Chair, five Governors, and ratification of the external auditor requires a majority of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present.

**Annual Report**

The annual report of CFA Institute for the fiscal year ended 31 August 2014, including consolidated financial statements, is available on the website.

**Compensation Philosophy**

The objectives of our executive compensation program along with the past three years of proxy statements and past three years United States Internal Revenue Service Form 990 tax returns for CFA Institute are available on the website.