



CFA Institute

2017 PROXY STATEMENT & NOTICE OF ANNUAL MEETING OF MEMBERS

27 June 2017

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MESSAGE FROM THE CHAIR

DEAR FELLOW MEMBERS,

On behalf of the CFA Institute Board of Governors, I invite you to help shape our community's future by voting this proxy season. Your participation in this process is critical toward creating a membership organization that meets, and even exceeds your expectations, which is one of our highest priorities now and in the coming years.

Our Objective

Our vision at CFA Institute is to become the leading global membership organization for investment professionals by providing unparalleled service to our members. What does this mean? It means supporting each of you to become the most trusted and successful professional you can be. We will achieve our objective when this becomes your reality.

We want you to feel proud and be recognized for being a CFA charterholder, and we want the designation to be of significant value to your professional career and the investors you serve. So how will we approach this objective moving forward?



Our Plan

Our plan to better serve our members starts with listening. Through tools, such as member surveys and direct feedback, we gather your input and incorporate it directly into our strategy to provide member value. Your feedback has indicated the following four needs as paramount:

- Careers: support for career development and connecting members with hiring firms;
- Affiliation: support for peer connections through a robust and active membership and local society network;
- Recognition: increased awareness of the brand and value of the CFA charter in markets around the world; and,
- Education: strengthening of continuing education opportunities.

Over the next few years, CFA Institute is making it a priority to serve you throughout the span of your professional career. Our member support will evolve to include increased career development resources, targeted outreach to employers, a greater emphasis on continuing education, and fostering connections and engagement with peers.

Further, we are working to ensure the CFA designation is recognized as an advantage and that our members are preferred by employers. We will place continuing education at the core of our membership offering, providing you access to a greater breadth and depth of lifelong learning, personalized for your specific needs and areas of expertise. These opportunities will not only demonstrate that charterholders are keeping up with the latest advances, it sends a message to employers and clients that our profession is dedicated to better service to and protection of investors' interests.

As a professional membership organization, elevating and promoting the CFA Institute brand is of the utmost importance. As a member, you should be sought after by employers because you have earned the gold standard credential for investment professionals, adhere to the highest standards of professional ethics, and demonstrate your commitment to career-long professional competency. We will work to ensure that the CFA designation gives you preference in the eyes of both employers and investors.

Your Role

As with any partnership, ours will be strongest and most beneficial with two-way participation. To maximize the value we provide to you, we need your help. I urge you to make your voice heard, get involved, connect with your fellow members, and help us to lead the way in building a stronger, more principled, more diverse investment profession. You can do this by voting during our proxy season, becoming an active member of your local society, and connecting with your fellow members.

Remember that we are all part of a global community – one of our greatest and most treasured assets. You are connected to more than 140,000 colleagues around the globe. Embrace these connections and the rich network of committed, well-respected professionals that your membership lends.

I hope you will join us for the Annual Meeting of Members on 27 June 2017.

Warm regards,

Frédéric Lebel, CFA
Chair, CFA Institute Board of Governors

MESSAGE FROM THE PRESIDENT AND CEO

DEAR COLLEAGUES,

I have always believed that if you don't know where you have been, you can't possibly know where you are going. As we celebrate the 70th anniversary of our organisation this year, I can say that no matter how much we evolve and grow as an organisation, our history sheds a bright and persistent light upon our future.

The origins of CFA Institute can be traced back to 1947, when a few North American representatives of security analyst associations met for lunch at Schwartz's restaurant in lower Manhattan, and afterwards, for dinner at the New York Athletic Club. The result was the formation of the National Federation of Financial Analysts Societies (NFFAS). These meetings were the genesis of what later became CFA Institute.

In many ways, the lunch at Schwartz's epitomizes the hundreds of other gatherings around the world and throughout the years that have resulted in the formation of our member societies and fueled the growth of the CFA Program. There is great value in bringing together like-minded professionals who seek common goals and face common challenges. This member-based activity is at the very core of what makes the CFA Institute family, societies, and CFA Institute itself, so successful.



As I learn more about our profession's history, I am pleased – as I'm sure our founders would be – that even through years of evolution and change, we have not strayed from our roots. The core remains the same – we exist to serve our members. The original constitution created in 1947 outlined these two objectives:

- To exchange ideas and information, and discuss mutual problems;
- To promote the welfare of the profession and its members.

Further, local societies expressed these objectives:

- To improve professional standards and techniques;
- To acquaint the public with their work and their importance; and,
- To promote fellowship in their field and promote the exchange of information and opinions.

Today, our objectives remain the same. So, how do we go about promoting the welfare of our members and how do we provide you with a clear return on your membership investment? First and foremost, we listen to what you tell us is important. We then debate the best way forward with your local society leaders through constant consultation. This is not an exact science and we do struggle to develop a view of member value that resonates equally with all members of our diverse, global membership.

The CFA Institute member value proposition is a combination of what your society offers locally along with what CFA Institute provides. The \$275 USD you pay in CFA Institute member dues, along with the average \$117 USD for local society dues, supports career development, engagement with peers to discuss issues of common interest, promotion of the value of the charter and brand, and continuing education opportunities.

For the fiscal year ending August 31, 2016, approximately one-half of total CFA Institute expenses, or \$135 million USD, was spent providing member-related services. These funds helped to build awareness of our brand and increase the value of the CFA charter, created a variety of professional education opportunities, were used to advocate for our professional standards and investor protection, and supported our local society network that offered over 12,000 activities and engagements throughout the world. Combined with the operating costs of local societies, this translates to an average expenditure of over \$1,000 USD per member; a level of investment made possible by the continued strength of the CFA Program. We appreciate that this spend is not felt by each of our members. This doesn't make it any less real but does beg the question of whether or not we are spending this money wisely. This is the most important task facing us today: How do we bring an appreciation of this \$1,000 USD spend home to all members?

We realize that there is no such thing as a one-size-fits-all solution for our members. We have to tailor our services to respond to the demands of very different markets: from New York to Brazil to Zurich to Beijing. This is why we are moving toward a more regionalized approach to our work – so we can respond to the specific needs of your local communities. One way we are responding is to reduce fees in developing markets to help those members who live in differing economic circumstances. We have also made membership free to all members over the age of 70.

Our ultimate goal is to help you become the most trusted and successful professional you can be – the acknowledged leaders of our profession within your own community. To do this, we need your help. Your feedback forms the basis for our actions. We must work harder to understand the services you feel are over-priced or over-engineered. I encourage you to make your voice heard. If we genuinely want to be an effective professional body, we must lead our profession in all of the communities we serve. You have a key role in achieving this goal and in making CFA Institute the best member organization it can be. Be an active member of your local society and work alongside your colleagues to make our profession one of which we can all be proud.

Supporting your local society and encouraging your participation in it is our duty. Last year, we made the strategic decision to increase financial support for our member societies around the globe and invest in additional training and technology infrastructure. This process will continue in 2017 and beyond. Strong, impactful societies are the way in which we will raise standards globally. Every society counts, every step forward moves us closer to our goal of building a profession that truly serves the communities in which we live.

In our 2017 Proxy Statement you will notice more transparency and disclosure of CFA Institute activities than ever before. Please take the time to vote on this year's member proposals and please do read our first-ever member report. I hope and believe that you will find the content engaging and the effort worthwhile.

For 70 years, CFA Institute has existed with the clear purpose of serving our members. We have not always lived up to that purpose as well as we could have. As we celebrate this milestone anniversary, we look to you more than ever to help create the path forward. Your voice, your involvement, is what will guide your local society and CFA Institute now and in the future.

Best regards,

Paul Smith, CFA
President and CEO, CFA Institute

NOTICE OF ANNUAL MEETING OF MEMBERS

Date and Time

Tuesday, 27 June 2017
10:00 a.m. Eastern Daylight Time (Virginia, U.S.A.)
Regular Members are encouraged to participate in-person or remotely.

Place

CFA Institute
915 East High Street
Charlottesville, Virginia, 22902, USA

Webcast

Please use the following link to join by webcast:
<https://edge.media-server.com/m6/p/dgqdjrsu>.

Phone

Please use the following details to join by phone:

Participant Toll-Free	(844) 376-0266
Dial-In Number	
Participant International	+1 (209) 905-5956
Dial-In Number	
Conference ID	17277246

Additional information regarding the Annual Meeting of Members can be found on the Information About the Meeting and Voting page.

Purpose:

1. To approve amendments to the CFA Institute Articles of Incorporation and Bylaws.
2. To ratify the selection of an independent registered public accounting firm for fiscal year 2017.
3. To elect a Chair and Vice Chair of the CFA Institute Board of Governors for fiscal year 2018.
4. To elect three Governors, each to serve a term beginning 1 September 2017 and ending 31 August 2020.
5. To transact any other business that properly comes before the meeting or any adjournment.

All Regular Members at the close of business on 24 April 2017 will be entitled to vote at the meeting and any adjournments.

This notice and the Proxy Statement will be mailed on or about 8 May 2017 to each Regular Member who has not elected to receive the materials electronically.

On behalf of the CFA Institute Board of Governors,



Joseph P. Lange
Secretary, CFA Institute

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 following the instructions below. To be counted, your vote must be received by 12:00 p.m. Eastern Daylight Time (New York, U.S.A.) on 26 June 2017.



By Internet

- Go to <https://www.esc-vote.com/cfa2017> and click on the link to access your electronic ballot;
- Enter your **CFA Institute ID Number** and **Election Validation Number** to log in — if you cannot remember your CFA Institute ID Number, please contact CFA Institute Customer Service for assistance by email at info@cfainstitute.org or call (800) 247-8132/+1 (434) 951-5499;
- Follow the online voting instructions; and
- If you have questions concerning your Election Validation Number or electronic voting, send an email to cfainstitutehelp@electionservicescorp.com or call (866) 720-4357/+1 (516) 688-7013.



By Paper Ballot, sent by mail or fax:

- Mark your selections by placing an "X" in the appropriate box(es);
- Sign and date your ballot (necessary for your proxy to be valid);
- Either (1) mail your signed and dated ballot in the enclosed postage-paid envelope to Election Services Co., P.O. Box 9020, Ronkonkoma, New York 11779 USA, allowing sufficient time for delivery; or (2) fax your signed and dated ballot to +1 (516) 248-4770; and
- If you need a replacement ballot, or if you have any questions regarding voting, please send an email 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 email 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 Information About the Meeting and Voting page.

PROXY SUMMARY

To assist you in casting your vote, below you will find a summary that highlights information contained in this Proxy Statement. To gain a full understanding of the voting matters, we encourage you to read the entire Proxy Statement before casting your vote.

Voting Matters

All Regular Members are asked to vote on the following matters:

Proposal	Our Board's Recommendation	Rationale	Vote Requirement
1. Amend Article 5 – Board of Governors of the CFA Institute Articles of Incorporation to state that the Board of Governors shall have not less than ten (10) nor more than (15) governors	FOR	The Board believes that a governing body of 10-15 governors will enhance the Board's effectiveness while providing appropriate levels of representation of the membership and diversity	Approval requires a two-thirds of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present
2. Amend Article 3.10 – Member Societies in the CFA Institute Bylaws to allow for local government requirements that need entity bylaws to adhere to officially approved templates	FOR	This amendment will allow groups, where local government laws may prevent them from adhering to certain aspects of Member Society requirements, to form a Member Society	Approval requires a majority of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present
3. Amend Article 5.2(a) – Composition and Qualification in the CFA Institute Bylaws to state that the Board of Governors shall have not less than ten (10) nor more than (15) governors	FOR	The Board believes that a governing body of 10-15 governors will enhance the Board's effectiveness while providing appropriate levels of representation of the membership and diversity	Approval requires a majority of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present
4. Amend Article 9.1(b)(iii) – Nominating Committee in the CFA Institute Bylaws to update the CFA Program Committee reference	FOR	The name of the CFA Program Committee has changed and this amendment will update the CFA Institute Bylaws to show this change	Approval requires a majority of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present
5. Ratify the selection of an independent registered public accounting firm for fiscal year 2017	FOR	The Audit and Risk Committee of the Board of Governors believes that PricewaterhouseCoopers LLP should be designated to perform the fiscal year 2017 audit of the CFA Institute consolidated financial statements	Approval requires a majority of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present
6. Elect Robert Jenkins, FSIP, as Chair and Heather Brilliant, CFA, as Vice Chair of the CFA Institute Board of Governors for fiscal year 2018	FOR	The Board believes that the nominees have the abilities and commitment to lead the Board and to help the Board carry out its duties	Election requires a majority of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present
7. Elect Leah Bennett, CFA, Lynn Stout, and Yu Hua, CFA, as governors, each to serve a term beginning 1 September 2017 and ending 31 August 2020	FOR	The Board believes that the nominees bring the requisite skills and qualities to provide optimal levels of oversight and guidance to the management and operations of CFA Institute	Election requires a majority of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present

Please see [Appendix A](#) to see the Articles of Incorporation and Bylaws as amended per the proposed changes.

Board Composition

The Board of Governors believes that the composition of the Board – striving to ensure that the Board has the right mix of skills, experience, and attributes – is critical to Board effectiveness. The Skills Matrix below is a sampling of the important qualities that each governor brings to the Board. It is with the understanding that no one individual has all – or even most – of these qualifications, and the objective is to find a group of individuals who collectively have the right mix to lead the organization.

SKILLS MATRIX



Independence 17 of 18 Governors

Independent governors are individuals who have no relationships with CFA Institute or any related parties that would impair their ability to exercise independent judgment and to act in what they reasonably believe to be in the best interests of CFA Institute.



Diversity 10 of 18 Governors

We believe a diverse Board that reflects the diversity of our membership is essential to the success of our mission. Accordingly, in selecting candidates for election as governors, we consider their race, ethnicity, gender, age, cultural background and professional experience, among other factors.



Leadership Experience 18 of 18 Governors

Governors should have held significant leadership positions, specifically in the C-Suite or its equivalent. We believe our governors and candidates possess extraordinary leadership qualities, and that their understanding of organizations, processes, strategy and risk management, will drive positive change and growth.



Global Experience 16 of 18 Governors

Given our international membership, governors should have business experience in multiple countries and regions. We believe governors with global experience can help continue to grow CFA Institute businesses outside the US to best serve the organization's global community of investment professionals.



Finance Experience 16 of 18 Governors

Governors should have extensive experience preparing or reviewing financial statements and should be thoroughly versed in requirements for financial reporting and auditing. We believe that governors with these skill sets are critical to support accurate financial reporting and robust auditing.



Talent Development Experience 11 of 18 Governors

Governors who have experience developing and identifying talent as well as prior involvement with CEO succession planning efforts can offer important insights on major transitions within an organization at the top management levels.

**Investment Management Experience** 17 of 18 Governors

We seek governors with experience overseeing investments and investment decisions, as we believe these governors focus management and the Board on trends and developments in the investment profession.

**Technology Experience** 4 of 18 Governors

Governors with technology backgrounds and experience may also oversee management's development of systems and processes to prevent hacking and other forms of cyber attacks and to limit or mitigate the adverse effects of any cyber-attacks. However, the Nominating Committee and the Board recognize that it may not be possible to prevent such attacks and that the impact of any attacks will depend upon the nature of the attacks and other facts and circumstances.

**Risk Management Experience** 6 of 18 Governors

Governors who have experience in risk management and oversight help the Board effectively oversee, understand, and manage the most significant risks facing the organization.

**Government Experience** 7 of 18 Governors

Governors who have experience in governmental and regulatory organizations can help CFA Institute to strengthen investor confidence and market integrity by shaping public policy and obtaining recognition from regulators around the world.

**Marketing Experience** 5 of 18 Governors

Governors who have marketing and branding expertise can help grow the CFA Institute brand in new and existing markets to extend our global reach and relevance.

VOTING MATTERS

Proposal 1: Amend Article 5 of the CFA Institute Articles of Incorporation

Recommendation

The Board of Governors recommended an amendment to the Articles of Incorporation reducing the size of the Board to 10 to 15 members from 16 to 19. The primary driver for this proposed change is to increase Board effectiveness. This was highlighted from several recent Board surveys.

The issue was then evaluated with input from governance experts, review of corporate standards, and in accordance with best practice. The consensus was that a reduction in size would promote better interactions and deliberations while maintaining representation of the membership and diversity. The Board shall be composed of 15 members as of 1 September 2017.

The change also requires an amendment to the Bylaws (Proposal 3).

Amendment

Article 5 – Board of Governors

2nd Paragraph

The board of directors shall be known as the Board of Governors (the “Board”) and the directors shall be known as governors. The number of governors shall be fixed in accordance with the Bylaws, but shall not be less than ~~sixteen~~ ten (16~~10~~) nor more than ~~nineteen~~ fifteen (19~~15~~) governors, including *ex officio* governors.

Proposal 2: Amend Article 3.10 of the CFA Institute Bylaws

Recommendation

The Board of Governors recommended an amendment to the Bylaws that mandates approval of new Member Societies is to be made by the Board of Governors. This has been the practice historically and is now being clarified through this recommended amendment to the Bylaws.

This recommended amendment has also added a Member Society Local Law Exemption. This exemption is being made available for instances where the local laws of a proposed Member Society’s jurisdiction prohibit their compliance with CFA Institute requirements. There are several jurisdictions that have mandatory established templates for bylaws and prohibit modifications that would be necessary for compliance with CFA Institute requirements. In the event that a local law would prohibit compliance with the section, a proposed Member Society can apply for this exemption and enter into a separate legally binding agreement with CFA Institute to satisfy the requirements of the section. The local law exception for the Member Societies was reviewed and concluded to pose a low risk to the organization. It was believed to be a reasonable solution that enables Member Societies to meet the demands of their local governments while also maintaining the principles described in the Bylaws. Adopting this amendment will make it easier for groups in these areas to form Member Societies.

Amendment**Article 3 – Members and Candidates****3.10 Member Societies.**

- (a) Requirements for Membership. To organize or admit a Member Society of CFA Institute an application and other requested information must be submitted to CFA Institute and for approved by the BoardCFA Institute.
- (b) Adoption of the Code and Standards.
 - (i) Each Member Society shall adopt the Code and Standards and shall provide in its bylaws that its regular members and affiliate members shall be subject to and comply with the Code and Standards.
 - (ii) The bylaws of each Member Society shall provide that all authority and responsibility for enforcement of the Code and Standards with respect to regular members and affiliate members of the Member Society are delegated to CFA Institute.
- (c) Membership in a Member Society.
 - (i) The bylaws of each Member Society shall provide that it may not admit or retain an individual as a regular member who is not a Regular Member of CFA Institute.
 - (ii) The bylaws of each Member Society shall provide that all affiliate members of a Member Society shall become Affiliate Members of CFA Institute.
 - (iii) Any individual whose membership as a Regular Member or Affiliate Member has been revoked or suspended by CFA Institute may not retain membership in a Member Society while such revocation or suspension is in effect.
 - (iv) Except for a uniform sponsorship requirement set forth by CFA Institute, a Member Society shall not impose any requirements on its regular members other than those listed in Section 3.2 of these Bylaws or as required by the Member Society's local laws.
 - (v) Each Member Society shall have the right to review all applications for regular membership in the society, as applicable.
 - (vi) The Board, or a committee designated by the Board, shall have the authority to make final determinations on the application of membership provisions listed in Section 3.2 of these Bylaws.
- (d) Member Society Local Law Exception. If a Member Society's local laws prohibit its bylaws from complying with the requirements of Section 3.10(b) and (c) of these Bylaws, the Member Society shall enter into a legally binding agreement with CFA Institute to satisfy the requirements of this Section.

Proposal 3: Amend Article 5.2(a) of the CFA Institute Bylaws

Recommendation

The Board of Governors recommended an amendment to the Bylaws reducing the size of the Board to 10 to 15 members from 16 to 19. The primary driver for this proposed change is to increase Board effectiveness. This was highlighted from several recent Board surveys.

The issue was then evaluated with input from governance experts, review of corporate standards, and in accordance with best practice. The consensus was that a reduction in size would promote better interactions and deliberations while maintaining representation of the membership and diversity. The Board shall be composed of 15 members as of 1 September 2017.

Adoption of the amendment is conditioned and should the amendment to the Articles of Incorporation (Proposal 1) fail to attain a two-thirds vote, this amendment to the Bylaws would not be amended even if it received a majority vote.

Amendment**Article 5 – Board of Governors**

5.2 Composition and Qualification.

- (a) The number of governors (including *ex officio* governors as defined in the Articles) shall be not less than ~~sixteen~~ ten (~~16~~10) nor more than ~~nineteen~~ fifteen (~~19~~15) and shall be determined by the Board. The President, Chair, Vice Chair, and Past Chair shall serve as *ex officio* governors in accordance with the Articles.

Proposal 4: Amend Article 9.1(b)(iii) of the CFA Institute Bylaws

Recommendation

The Board of Governors recommended that the CFA Program Committee referenced in the member composition description for the Nominating Committee be revised to reflect its current name. Adoption of this amendment will update the name of the Candidate Curriculum Committee to Education Advisory Committee.

Amendment**Article 9 – Nominating Process and Election**

9.1 Nominating Committee.

- (b) Composition. The Nominating Committee shall be composed of:
- (iii) one (1) Regular Member that is a Charterholder Member elected by the members of the ~~Candidate-Curriculum~~ Education Advisory Committee or elected by the members of the Council of Examiners, each in alternate terms; and

Proposal 5: Ratification of Selection of Independent Registered Public Accounting Firm for Fiscal Year 2017

The Audit and Risk Committee has appointed PricewaterhouseCoopers LLP as the organization's independent public accounting firm to perform the fiscal year 2017 audit of the 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 Audit and Risk Committee. Moreover, 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.

Proposal 6: Election of Chair and Vice Chair

At the Annual Meeting of Members, members will be asked to vote on the election of Robert Jenkins, FSIP, as Chair and Heather Brilliant, CFA, as Vice Chair of CFA Institute for a term beginning on 1 September 2017 and ending on 31 August 2018, and until their respective successors are elected and qualified. The Board, on the recommendation of the Nominating Committee, has nominated them based on its belief that these individuals have the abilities and commitment to lead the Board and to help the Board carry out its duties to the organization. The following profiles, biographies, and personal statements demonstrate the basis for this belief.

Chair Nominee



Robert Jenkins, FSIP

Governor Since: 2013

Age: 66

Country: United Kingdom

Society Membership: United Kingdom



Independent
Talent Development



Leadership



Global



Finance



Government



Investment Management



Risk Management

Current Position:

- Adjunct Professor, Finance, London Business School, London, United Kingdom, since 2009

Prior Positions:

- External Member, Interim Financial Policy Committee, Bank of England, London, United Kingdom
- CEO and Managing Partner, Combinatorics Capital, New York, New York, United States
- CEO and then Chairman of the Board, F&C Asset Management, plc., London, United Kingdom
- Chairman of the Board, Investment Association of the UK, London, United Kingdom
- SVP, Citigroup, Tokyo, Japan

Board Committee Service:

- Advocacy Working Group (FY2016)
- Audit and Risk Committee (Since Jan. 2017*)
- Compensation and Governance Committee (FY2014, FY2015)

- Education Working Group (FY2015)
- Executive Committee (FY2015, FY2016)
- Planning Committee (FY2014, FY2015*, FY2016*)
- Board of Governor Liaison, Standards and Advocacy (FY2017)

Additional Volunteer Experience:

Society

- Regular Guest Speaker, Member Society Events
- Fellow, CFA Society United Kingdom

Current Positions on Other Boards:

- Member, Supervisory Board, Nationale-Nederlanden Group

Education:

- Master of Arts, Johns Hopkins University
- Diploma, L'Universite d'Aix Marseilles
- Bachelor of Arts, The American University

Bio

Robert Jenkins 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 18 years on the "buy side." Mr. Jenkins headed Credit Suisse's asset management (CSAM) business 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, plc. Prior to his appointment to the Bank of England, he was CEO and Partner of Combinatorics Capital, a New York-based hedge fund.

Mr. Jenkins chaired the Investment 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. Mr. Jenkins was a senior advisor to CVC Capital and a board member of Aberdeen's All Asia Investment Trust. From 2011-2013, he served as a member of the Bank of England's Financial Policy Committee. And he was founding chair of the AQR Asset Management Institute at London Business School. Mr. Jenkins is currently an adjunct professor of finance at London Business School, a member of the supervisory board of NN Group, (NL), and a senior fellow at Better Markets. Since 2013, he has served on the CFA Institute Board of Governors. He has been a member of the Compensation and Governance Committee, chaired the Planning Committee, and currently chairs the Audit and Risk Committee. Mr. Jenkins is a frequent contributor to the financial press. He attended university in the US, France, and Italy.

Personal Statement

I have worked 16 years on the "sell-side" followed by 18 years on the "buy-side." I have represented the investment industry to policy makers and have been a policy maker lobbied by the industry. I teach investment management at the post graduate level and helped to establish a research institute dedicated to the investment field. I have chaired an asset management firm, an investment industry trade body, and an academic institute. Meanwhile, my board position with an insurance group has been a source of continuing education for that particular financial sector. When it comes to the CFA Institute family, I don't claim to have the answers but I am certainly familiar with the issues and challenges that our membership must confront.

There is no greater honor than recognition by one's professional colleagues. And there is no more prestigious collection of investment professionals than those who are CFA Institute members. I am flattered indeed to be put forward as a candidate for chair. If elected, I would look to consolidate recent improvements to the organization's governance and ensure that the CFA Institute strategy remains on track. If not elected, I would continue to give the Board of Governors and CFA Institute my full support.

* Denotes the governor served as Chair.

Vice Chair Nominee

**Heather Brilliant, CFA****Governor Since:** 2013**Age:** 40**Country:** Australia**Society Membership:** Sydney**Current Position:**

- CEO, Morningstar Australasia, Sydney, Australia, since 2014

Prior Positions:

- Co-CEO, Morningstar Australasia, Sydney, Australia
- Global Head of Equity and Corporate Credit Research, Morningstar, Chicago, Illinois, United States
- Equity Analyst, Morningstar, Chicago, Illinois, United States

Board Committee Service:

- Executive Committee (FY2016)
- External Relationship and Volunteer Involvement Committee (FY2014, FY2016*)

- Governance Working Group (FY2016)
- Planning Committee (FY2014, FY2015)
- Society Partnership Advisory Council (FY2017*)

Additional Volunteer Experience:**Society**

- Past President and Board Member, CFA Society Chicago

Education:

- Master of Business Administration, The University of Chicago
- Bachelor of Arts, Northwestern University
- Chartered Financial Analyst, CFA Institute

Bio

Heather Brilliant is CEO of Morningstar Australasia. In this role, Ms. Brilliant leads a team of financial services professionals based in Australia and New Zealand. She works closely with global and regional teams to create, communicate, and implement business strategies based on functional and local market priorities. Prior to her current role, in 2014, Ms. Brilliant was global director of equity and corporate credit research, and led Morningstar's global equity and corporate credit research teams. She also served on Morningstar's Economic Moat committee, a group of senior members of the equity research team responsible for reviewing the firm's Economic Moat and Moat Trend ratings. Ms. Brilliant is co-author of *Why Moats Matter: The Morningstar Approach to Stock Investing* (John Wiley & Sons, 2014). Before joining Morningstar in 2003 as an equity analyst, she was an equity research analyst for boutique investment firms. Ms. Brilliant started her career at Bank of America as a corporate finance analyst covering the auto industry. She 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. Ms. Brilliant serves on the CFA Institute Board of Governors, is currently co-chair of the Society Partnership Advisory Council, and has served as chair of the External Relations and Volunteer Involvement Committee. She is a past chair of CFA Society Chicago. Ms. Brilliant is also a member of the International Women's Forum. In 2014, she completed the High Performance Board program at IMD Business School in Lausanne, Switzerland, to 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* included her in its annual "40 Under 40" class, a list of professionals from varied industries who contribute to Chicago's business, civic, and philanthropic landscape.

Personal Statement

I am inspired by the CFA Institute commitment to ethics, integrity, and professional excellence, and I am honored to be nominated to serve as vice-chair of the Board of Governors.

Over the last four years serving on the Board, I have enjoyed working with a group of dedicated staff and volunteers who are committed to delivering on the organization's mission. I first experienced the impact that volunteers can have during my work with the member community of CFA Society Chicago. As a governor, I have great interest in enhancing the partnership between our member societies and CFA Institute. I served as the chair of the External Relations and Volunteer Involvement Committee and I now serve as the co-chair of the Society Partnership Advisory Council.

The importance of our mission is becoming even more critical as the investment management industry continues to change. In the face of declining fees, increasing competition, and rapidly changing impacts due to technology and the changing landscape of asset management, it is critically important that CFA Institute evolve so we can remain a dynamic, globally relevant organization with credentialing programs that meet the needs of our industry. I will continue to bring to the Board my perspective on the industry and globalization challenges we face as an organization, based on my own global leadership experience of facing these industry dynamics at my firm while also working to always put investors' interests first.

* Denotes the governor served as Chair.

Proposal 7: Election of Governors

At the Annual Meeting of Members, members will be asked to vote on the election of Leah Bennett, CFA, Lynn Stout, and Yu Hua, CFA, as governors, each to serve a three-year term beginning 1 September 2017 and ending 31 August 2020. The Board, on the recommendation of the Nominating Committee, has nominated them, based on its 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 operations of CFA Institute. The following profiles and personal statements demonstrate the basis for the Board's belief.

First Term Governor Nominee

**Leah Bennett, CFA****Age:** 48**Country:** United States**Society Membership:** Houston**Independent****Leadership****Diversity****Global****Investment Management****Risk Management****Current Position:**

- Chief Operating Officer, Westwood Trust, Houston, Texas, United States, since 2016

Prior Positions:

- Co-Chief Investment Officer, South Texas Money Management, San Antonio, Texas, United States
- Chief Investment Officer and Managing Director, King Investment Advisors, Inc., Houston, Texas, United States
- Fixed-Income Product Specialist, Capital Group, Los Angeles, California, United States

Additional Volunteer Experience:**CFA Institute**

- Co-founder, CFA Institute Women in Investment Management Initiative

Society

- Past Presidents Council Representative
- Past President and Board Member, CFA Society Houston
- Co-Founder, CFA Institute Investment Research Challenge – Southwest

Current Positions on Other Boards:

- Board Member, Wright Oversight Board, Jessie H. Jones Graduate School of Management, Rice University
- Board Member, St. Mary's Advisory Council of Executives, Bill Greehey School of Business, St. Mary's University

Education:

- Bachelor of Science, Economics, Texas A&M University
- Chartered Financial Analyst, CFA Institute

Bio

Leah Bennett brings more than 24 years of experience serving private wealth clients. She joined Westwood Holdings in Houston, Texas, as Chief Operating Officer in 2016 after serving as Co-Chief Investment Officer at South Texas Money Management in San Antonio. In that role, she shared responsibility for the investment strategies of the firm. Prior to that, Ms. Bennett was a Managing Director and Chief Investment Officer at King Investment Advisors, Inc. and a research analyst for Capital Research & Management. She has served as the CFA Institute President's Council Representative for the South Central United States and Latin America and as President and Director of CFA Society Houston. Ms. Bennett is a co-founder of the CFA Institute Women in Investment Management initiative and the CFA Institute Global Research Challenge of the Southwest. She is a board member of the Wright Fund Oversight Board at Rice University and serves on the Advisory Council of Executives (ACEs) at the Bill Greehey School of Business at St. Mary's University. Ms. Bennett received her BS in economics from Texas A&M University.

Personal Statement

As an active volunteer of CFA Institute over the past 17 years, I am honored to be nominated to serve on the Board of Governors. I care deeply about our profession and about improving outcomes for investors. Although the investment industry has made progress since the financial crisis, much work still needs to be done to better serve clients and improve the perception of our profession and the industry. I believe identifying industry deficiencies is not enough; we need to take thoughtful actions to enact change. I am motivated and inspired by our base of active volunteers around the world, who truly want to make a difference. Working together, our impact is greater. With over 25 years of experience managing both individual and institutional assets, I have a good understanding of what our clients demand and the shortcomings of our industry. In my role as a senior manager for a wealth management firm, I am confronted daily with the challenges facing our industry. I hope to contribute this experience to play an effective role in helping CFA Institute achieve its mission.

Over the years, I have been both innovative and entrepreneurial in helping CFA Institute address areas where I passionately believe we need to change, including broadening our scope and effectiveness in Latin America and increasing diversity in our industry through our women's initiative. I will continue to bring this perspective to the Board.

It is an honor to serve our members.

Second Term Governor Nominee



Lynn Stout

Governor Since: 2014

Age: 59

Country: United States



Independent



Leadership



Diversity



Finance



Government



Investment Management

Current Position:

- Distinguished Professor of Corporate and Business Law, Cornell Law School, Ithaca, New York, United States, since 2012

Prior Positions:

- Paul Hastings Distinguished Professor of Corporate and Securities Law, University of California at Los Angeles School of Law, Los Angeles, California, United States
- Professor of Law, University of California at Los Angeles School of Law, Los Angeles, California, United States
- Professor of Law, Georgetown University Law Center, Washington, DC, United States

Board Committee Service:

- Audit and Risk Committee (FY2016)
- Education Working Group (FY2015)
- External Relations and Volunteer Involvement Committee (FY2015)
- Compensation and Governance Committee (FY2016)
- Planning Committee (FY2016)

Bio

Lynn Stout is the Distinguished Professor of Corporate and Business Law at Cornell Law School. She is an internationally recognized expert in corporate governance, financial regulation, and moral behavior. Ms. Stout has published numerous articles and books, and lectures widely. Her most recent book, *The Shareholder Value Myth: How Putting Shareholders First Harms Investors, Corporations and the Public* (Berrett Koehler Publications, 2012) was named 2012 Governance Book of the Year by *Directors and Boards* magazine. She currently serves on the CFA Institute Board of Governors, the Advisory Committee to the Office of Financial Research in the US Treasury, the Board of Advisors for the Aspen Institute's Business & Society Program, and as a research fellow for the Gruter Institute for Law and Behavioral Research. Previously, Ms. Stout served as chair of the American Association of Law Schools Section on Law and Economics and the American Association of Law Schools Section on Business Association. She was an independent trustee/director for the Eaton Vance family of mutual funds for many years and served on the Board of Directors of the American Law and Economics Association. Ms. Stout has taught at the law schools of Harvard University, New York University, Georgetown University, University of California Los Angeles, George Washington University, and as a guest scholar at the Brookings Institution. She holds a BA summa cum laude and a master's degree in public affairs from Princeton University, and a JD from the Yale Law School.

Personal Statement:

I am honored to be nominated for a second term on the CFA Institute Board of Governors. It would be a privilege to continue serving the organization, which I consider a global force for promoting ethics and professional excellence in the investment community.

CFA Institute is uniquely positioned to play a vital role in building client and regulator trust in the financial services industry. As an international and independent voice for investment professionals, it can play a powerful role in protecting and promoting the health and reputation of the industry. The organization's educational programs help ensure that the investment management industry serves the interests of its clients and the broader society.

My experience in the mutual fund industry has given me the greatest respect for financial professionals and the vital role they play. This respect drives my desire and willingness to serve on the CFA Institute Board of Governors and to help guide the important work of CFA Institute. Through my professional expertise in organizational governance, financial regulation, and education, and my years of experience as a trustee and director of a mutual fund board, I hope to contribute to the vital mission of CFA Institute.

Second Term Governor Nominee



Yu Hua, CFA

Governor Since: 2014

Age: 62

Country: China

Society Membership: Beijing and Shenzhen



Current Position:

- Chairman of the Board, Morgan Stanley Huaxin Fund Management Co., Ltd., Shenzhen, China, since 2008

Prior Positions:

- Managing Director and Head of China Business, Investment Management Division, Morgan Stanley Asia Company, Hong Kong
- CEO and Board Director, Dacheng Fund Management Company, Shenzhen, China
- Vice President, Power Pacific Corporation Ltd., Hong Kong
- Vice Chair, Asset Management Association of China, Shenzhen, China
- Board Member, International Investment Fund Association, Shenzhen, China

Board Committee Service:

- External Relations and Volunteer Involvement Committee (FY2015, FY2016)
- Board of Governor Liaison, Member Value (FY2017)

Bio

Yu Hua is Chairman of the Board at Morgan Stanley Huaxin Fund Management Co., Ltd., a joint venture focusing on investing in China's stocks and bonds. Previously, Mr. Yu served as Managing Director and Head of China Business at Investment Management Division of Morgan Stanley Asia Co. Prior to 2008, he held different positions as board director and CEO of Dacheng Fund Management Company, Chief Representative of London Life Insurance Co. in China, Vice President of Financial Service Business at Power Corporation of Canada, and Head of Research at Shenzhen Stock Exchange. He currently serves on the board of the Asset Management Association of China (AMAC) and as chair of its International Business Committee. Mr. Yu was also a board member of the International Investment Funds Association from 2008 to 2010. He received a BA in economics from Peking University, an MBA and a PhD in finance from Catholic University of Leuven, Belgium. After graduation in Belgium, he served as a faculty member in finance at several universities in the United Kingdom and Canada before commencing his career in business finance.

Personal Statement

It is a great honor to be nominated for a second term as governor of the CFA Institute Board of Governors. A core value of CFA Institute standards and principles is to put the interest of clients first and to build trust with the investing public. The organization continues to successfully actualize this core value which is winning the confidence of industry, regulators, and the public worldwide.

My involvement with CFA Institute began in the 1990s, at a time when there were still very few CFA charterholders and candidates in China. Over the years, a small group of pioneer charterholders, including myself, worked constantly to promote the quality and reputation of the CFA designation. Industry participants, regulators and the investing public, have substantially increased their awareness of the importance of CFA Institute standards. I am truly proud to witness the rapid growth of CFA Institute in China as a great number of Chinese professionals join the organization every year. During my first term on the Board, I worked with several committees and contributed to the development of the organization's strategy regarding market development and member value. If I am elected to serve a second term, I will make every effort to serve the interests of members and work with my fellow governors in other regions to jointly promote the global development of CFA Institute.

The organization's growth in China and worldwide greatly contributes to maintaining high standards in the financial industry and developing investment professionals of excellent quality, thanks to the unique technical competency and ethical value of the CFA designation. Today, as the trend of globalization continues, there are great opportunities and challenges in front of everyone in the industry, including CFA Institute. I am fully confident that our strength and dynamism, demonstrated over the years, will continue to prevail. CFA Institute and its members will be more successful than ever in the role of establishing and maintaining the highest standards of investment practice.

I am honored and fully committed to the CFA Institute mission and will continue to do my best to serve the organization and its members.

Continuing Governors

We are also providing profile information for governors who are continuing in office and who have terms expiring at the end of fiscal years 2018 and 2019. Please visit the CFA Institute website to read each governor's bio.

Governor Terms expiring 31 August 2019



Heather Brilliant, CFA

Governor Since: 2013

Age: 40

Country: Australia

Society Membership: Sydney



Independent



Leadership



Diversity



Global



Finance



Investment Management



Talent Development



Information Technology

Current Position:

- CEO, Morningstar Australasia, Sydney, Australia, since 2014

Prior Positions:

- Co-CEO, Morningstar Australasia, Sydney, Australia
- Global Head of Equity and Corporate Credit Research, Morningstar, Chicago, Illinois, United States
- Equity Analyst, Morningstar, Chicago, Illinois, United States

Board Committee Service:

- Executive Committee (FY2016)
- External Relationship and Volunteer Involvement Committee (FY2014, FY2016*)

- Governance Working Group (FY2016)
- Planning Committee (FY2014, FY2015)
- Society Partnership Advisory Council (FY2017*)

Additional Volunteer Experience:

Society

- Past President and Board Member, CFA Society Chicago

Education:

- Master of Business Administration, The University of Chicago
- Bachelor of Arts, Northwestern University
- Chartered Financial Analyst, CFA Institute



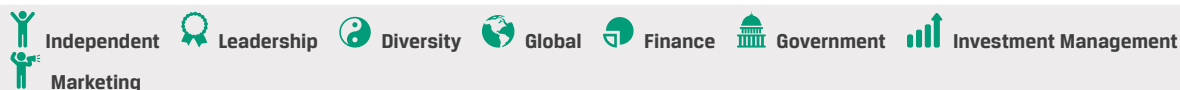
Elizabeth Corley, FSIP, CBE

Governor Since: 2016

Age: 60

Country: United Kingdom

Society Membership: United Kingdom



Current Position:

- Vice Chair, Allianz Global Investors, London, United Kingdom, since 2016

Prior Positions:

- Global CEO, Allianz Global Investors, London, United Kingdom
- European CEO, Allianz Global Investors, Munich, Germany
- Managing Director, Merrill Lynch Investment Manager, London, United Kingdom

Board Committee Service:

- Nominating Committee (FY2017)

Additional Volunteer Experience:

CFA Institute

- Past Member, Future of Finance Council

Society

- Fellow, CFA Society of the United Kingdom

Current Positions on Other Boards:

- Member, Management Committee, Forum of European Asset Managers
- Member, Advisory Council, TheCityUK
- Non-executive Director, Financial Reporting Council, UK (Mar. 2011- Feb. 2017)
- Trustee and Member of the Investment Committee, The British Museum
- Securities and Markets Stakeholder Group: Selected to Represent Users of Financial Services, European Securities and Markets Authority
- Non-executive Director and Chair of the Remuneration Committee, Pearson PLC (United Kingdom)
- Member, Committee of 200
- Director, Fixed Income, Currency, and Commodities Markets Standards Board
- Member, Advisory Council, Applied Quantitative Research Institute of Asset Management at the London Business School
- Non-executive Director, BAE Systems
- Director, British Museum Friends
- Member, Women's Development Board, MicroLoan Foundation

Education:

- Honorary Doctorate, London Institute of Banking and Finance



Robert Jenkins, FSIP

Governor Since: 2013

Age: 66

Country: United Kingdom

Society Membership: United Kingdom



Independent



Leadership



Global



Finance



Government



Investment Management



Risk Management

Talent Development

Current Position:

- Adjunct Professor, Finance, London Business School, London, United Kingdom, since 2009

Prior Positions:

- External Member, Interim Financial Policy Committee, Bank of England, London, United Kingdom
- CEO and Managing Partner, Combinatorics Capital, New York, New York, United States
- CEO and then Chairman of the Board, F&C Asset Management, plc., London, United Kingdom
- Chairman of the Board, Investment Association of the UK, London, United Kingdom
- SVP, Citigroup, Tokyo, Japan

Board Committee Service:

- Advocacy Working Group (FY2016)
- Audit and Risk Committee (Since Jan. 2017*)
- Compensation and Governance Committee (FY2014, FY2015)

- Education Working Group (FY2015)
- Executive Committee (FY2015, FY2016)
- Planning Committee (FY2014, FY2015*, FY2016*)
- Board of Governor Liaison, Standards and Advocacy (FY2017)

Additional Volunteer Experience:

Society

- Regular Guest Speaker, Member Society Events
- Fellow, CFA Society United Kingdom

Current Positions on Other Boards:

- Member, Supervisory Board, Nationale-Nederlanden Group

Education:

- Master of Arts, Johns Hopkins University
- Diploma, L'Université d'Aix Marseilles
- Bachelor of Arts, The American University



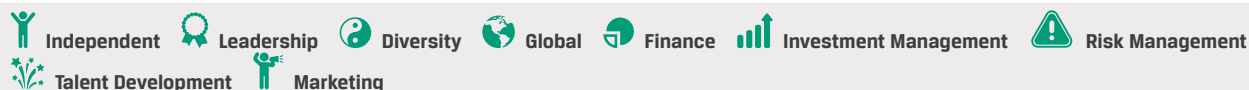
Diane Nordin, CFA

Governor Since: 2016

Age: 58

Country: United States

Society Membership: Boston



Current Position:

- Board Member, Fannie Mae, Washington, DC, United States
- Board Member, Antares Capital, Chicago, Illinois, United States

Prior Positions:

- Fellow, Advanced Leadership Initiative, Harvard University, Cambridge, Massachusetts, United States
- Partner, Wellington Management, Boston, Massachusetts, United States
- Director, Fixed Income, Wellington Management, Boston, Massachusetts, United States

Board Committee Service:

- Audit and Risk Committee (FY2017)

Additional Volunteer Experience:

CFA Institute

- Disciplinary Review Committee Industry Appeal Panelist

Current Positions on Other Boards:

- Member, Boston Economics Club
- Member, Martha's Vineyard Community Services Board
- Member and Chair of Investment and Audit Committees, Appalachian Mountain Club
- Member of Audit Committee and Chair of Compensation Committee, Fannie Mae
- Chair, Compensation Committee, Antares Capital
- Trustee and Chair of Investment Committee, Wheaton College

Education:

- Bachelor of Arts, Wheaton College
- Chartered Financial Analyst, CFA Institute



Sunil Singhania, CFA

Governor Since: 2013

Age: 49

Country: India

Society Membership: India



Current Position:

- Chief Investment Officer, Equity Investments, Reliance Nippon Life Asset Management Ltd., Mumbai, India, since 2003

Prior Positions:

- Head, Equity Investments, Reliance Mutual Fund, Mumbai, India
- Director, Institutional Sales and Research, Equity Derivatives, Advani Share Brokers Private, Mumbai, India
- President, Motisons Securities Private Ltd., Mumbai, India

Board Committee Service:

- Audit and Risk Committee (FY2016, FY2017)
- Investment Committee (FY2017)
- External Relationship and Volunteer Involvement Committee (FY2014, FY2015)
- Awards Committee (FY2015, FY2016)

- Society Partnership Working Group (FY2012)
- Charter Pending Working Group (FY2012)

Additional Volunteer Experience:

CFA Institute

- CFA Exam Grader
- Past Member, Standards of Practice Council

Society

- Past President and Founding Member, The Indian Association of Investment Professionals

Current Positions on Other Boards:

- Member, Governing Council, Goregaon Sports Club

Education:

- Bachelor of Commerce, Mumbai University
- Chartered Accountant, Institute of Chartered Accountants of India
- Chartered Financial Analyst, CFA Institute

Governor Terms expiring 31 August 2018

**Daniel Gamba, CFA****Governor Since:** 2015**Age:** 49**Country:** United States**Society Membership:** New York

Independent



Leadership



Diversity



Global



Investment Management



Talent Development



Information Technology



Marketing

Current Position:

- Global Head of Active Equity Product Strategy, BlackRock, New York, New York, United States, since 2016
- Member of Global Operating Committee, BlackRock, New York, New York, United States, since 2009
- Member of Human Capital Committee, BlackRock, New York, New York, United States

Prior Positions:

- Head of Americas, Institutional iShares Business, BlackRock, New York, New York, United States
- Regional Head, Latin America and Iberia, BlackRock, New York, New York, United States
- CEO, Latin America and Caribbean, Barclays Global Investors, San Francisco, California, United States
- Director of Global Strategy, Barclays Global Investors, San Francisco, California, United States

Board Committee Service:

- Advocacy Working Group (FY2016)
- Planning Committee (FY2016)
- Nominating Committee (FY2016, FY2017)
- Society Partnership Advisory Council (FY2017)

Additional Volunteer Experience:**CFA Institute**

- Past Member, Claritas Advisory Committee
- Past Member, Education Advisory Committee

Current Positions on Other Boards:

- Board Member, Council of Urban Professionals
- Member, Investment Committee of the Retirement Committee, BlackRock

Education:

- Bachelor of Science, Pontificia Universidad Católica del Perú
- Master of Business Administration, Northwestern University
- Chartered Financial Analyst, CFA Institute






Frédéric Lebel, CFA

Governor Since: 2011

Age: 48

Country: Switzerland

Society Membership: Switzerland

 Independent
  Leadership
  Global
  Finance
  Investment Management

Current Position:

- Co-CEO and CIO of OFI MGA & Owner of HFS, Geneva, Switzerland and Paris, France, since 2008

Prior Positions:

- Executive Vice President, Lombard Odier, Geneva, Switzerland
- Head of Hedge Fund Selection, Lombard Odier, Geneva, Switzerland
- Associate, Equity Division and IIS, Morgan Stanley International Ltd., New York, New York, United States and London, United Kingdom

Board Committee Service:

- Advocacy Working Group (FY2016*)
- Audit and Risk Committee (FY2013, FY2016)
- Awards Committee (FY2016*)
- Board Effectiveness Working Group (FY2013*)
- Board of Governors Chair (FY2017*)
- Board of Governors Vice Chair (FY2016)
- Compensation Committee (FY2017)
- Compensation and Governance Committee (FY2015, FY2016)
- Executive Committee (FY2014, FY2016, FY2017*)
- External Relations and Volunteer Involvement Committee (FY2012)
- Governance Working Group (FY2016)
- Nominating Committee (FY2017)
- Planning Committee (FY2014*, FY2015)

Additional Volunteer Experience:

CFA Institute

- Past Chair and Vice Chair, European Advocacy Committee
- Past Chair and Member, Capital Markets Policy Council
- Past Trustee, CFA Institute Research Foundation

Education:

- Series 7, 3, 63 and 65, National Association of Securities Dealers
- Bachelor of Arts, University of St. Gallen
- Master of Arts, University of St. Gallen
- Maturité Fédérale, Mathematics and Physics, Collège Champittet, Pully
- Chartered Financial Analyst, CFA Institute

* Denotes the governor served as Chair.



Mark Lazberger, CFA

Governor Since: 2012

Age: 55

Country: Australia

Society Membership: Sydney



Independent



Leadership



Global



Finance



Investment Management



Talent Development

Current Position:

- CEO, Colonial First State Global Asset Management / First State Investments, Sydney, Australia, since 2008

Recent Prior Positions:

- President, International and Executive Vice President, State Street Global Advisors, Sydney, Australia
- Head of International Businesses, President and CEO, State Street Japan, Tokyo, Japan
- Principal and Regional Managing Director, State Street Global Advisors, Tokyo, Japan and Sydney, Australia

Board Committee Service:

- Audit and Risk Committee (FY2013, FY2014)
- Board Effectiveness Working Group (FY2013)
- Compensation Committee (FY2017)
- Compensation and Governance Committee (FY2016)
- External Relationship and Volunteer Involvement Committee (-FY2015)
- Governance Working Group (FY2016)
- Planning Committee (FY2016)

Additional Volunteer Experience:

Society

- Past and Inaugural President, CFA Society Sydney
- Past Board Member, CFA Society Japan
- Past Member, CFA Society Sydney Employers Advisory Board

Current Positions on Other Boards:

- Board Member and Chair of the Finance Committee, Sydney Theatre Company Board

Education:

- Bachelor of Commerce, University of Western Australia
- Chartered Financial Analyst, CFA Institute



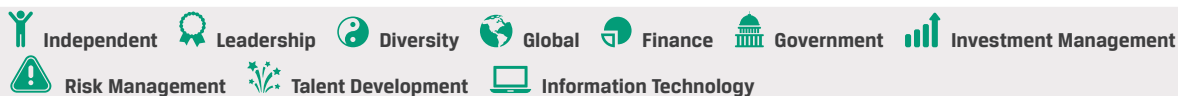
Colin McLean, FSIP

Governor Since: 2013

Age: 64

Country: United Kingdom

Society Membership: United Kingdom



Current Position:

- CEO, SVM Asset Management Ltd., Edinburgh, Scotland, since 1990

Prior Positions:

- CIO, Scottish Provident, Edinburgh, Scotland, United Kingdom
- Managing Director, Europe, Templeton, Edinburgh, Scotland, United Kingdom
- Managing Director, FS Investment Managers Ltd., Edinburgh, Scotland, United Kingdom
- Deputy Managing Director, FS Assurance Ltd., Edinburgh, Scotland, United Kingdom

Board Committee Service:

- Audit and Risk Committee (FY2015*, FY2016*)
- Board Effectiveness Working Group (FY2013)
- Board of Governors Vice Chair (FY2017)
- Compensation Committee (FY2017)
- Executive Committee (FY2014, FY2015, FY2016, FY2017)
- External Relations and Volunteer Involvement Committee (FY2013, FY2014*)

* Denotes the governor served as Chair.

Additional Volunteer Experience:

CFA Institute

- Past Member, Investment Fundamentals Certificate Advisory Committee
- Trustee, CFA Institute Research Foundation
- Co-author, CFA Exam Level III Reading

Society

- Member, CFA Society United Kingdom Professional Standards and Market Practices Committee
- Member, CFA Society United Kingdom Scottish Committee
- Past Chair, CFA Society United Kingdom Professional Standards Working Group
- Past Chair and Board Member, CFA Society United Kingdom

Current Positions on Other Boards:

- Director, SVM Highlander Fund PLC
- Director, SVM Ireland Ltd.
- Adviser to Centre of Finance and Investment, Heriot-Watt University

Education:

- Master of Arts (Honours) in Political Economy & Economic Statistics, Glasgow University
- Master of Business Administration (Distinction), Glasgow University
- Fellow of the Institute & Faculty of Actuaries
- Chartered Fellow of the Chartered Institute for Securities & Investment
- Honorary Professor, School of Management & Languages, Heriot-Watt University
- Fellow, CFA Society United Kingdom



George Spentzos, CFA, FSIP

Governor Since: 2015

Age: 53

Country: United Kingdom

Society Membership: United Kingdom and France



Independent



Leadership



Diversity



Global



Finance



Government



Investment Management



Risk Management



Talent Development



Marketing

Current Position:

- Advisory Board Member, LNG Capital, London, United Kingdom, since 2015

Prior Positions:

- Managing Director, Financial Institutions Group, Client Management - EMEA, Societe Generale, London, United Kingdom
- Head of Investment, Portfolio Advisory Group, Credaris Asset Management, London, United Kingdom
- Head, Structured Credit, Brevan Howard Asset Management, London, United Kingdom

Board Committee Service:

- Audit and Risk Committee (FY2016, FY2017)
- Education Working Group (FY2015)
- Governance Working Group (FY2016)
- Board of Governor Liaison, Member Value (FY2017)

Additional Volunteer Experience:

CFA Institute

- Past Chair and Member, CFA Institute Council of Examiners
- CFA Exam Grader

Society

- Past Chair and Board Member, CFA Society United Kingdom
- Fellow, CFA Society United Kingdom

Current Positions on Other Boards:

- Member, Executive Advisory Board, Daniels College of Business
- Non-Executive Director, Now Bank

Education:

- Master of Business Administration in Finance, University of Denver
- Bachelor of Applied Science in Chemical Engineering, University of British Columbia
- Chartered Financial Analyst, CFA Institute



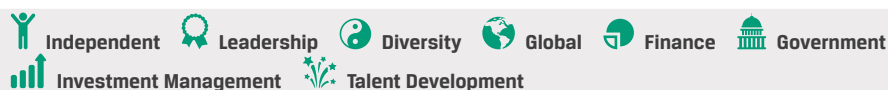
Zouheir Tamim El Jarkass, CFA

Governor Since: 2015

Age: 55

Country: United Arab Emirates

Society Membership: Emirates



Current Position:

- Senior Advisor, Learning and Development, Mubadala, Abu Dhabi, United Arab Emirates, since 2008

Prior Positions:

- Instructor, American University of Beirut, Beirut, Lebanon
- Senior Instructor, Accounting and Finance, American University of Sharjah, Sharjah, United Arab Emirates
- Financial Services Instructor, Higher Colleges of Technology, Sharjah, United Arab Emirates
- Human Resources Manager, Kettaneh Construction International, Cairo, Egypt
- Credit Analyst, Finance Bank, Beirut, Lebanon
- Finance Manager, Osamah Industries, Kano, Nigeria

Board Committee Service:

- Audit and Risk Committee (FY2017)
- External Relationship and Volunteer Involvement Committee (FY2016)
- Advocacy Working Group (FY2016)
- Board of Governor Liaison, Credentialing (FY2017)

Additional Volunteer Experience:

Society

- Past President and Founding Member, CFA Society Emirates
- Chair, Education Committee, CFA Society Emirates

Current Positions on Other Boards:

- Member, Global Council of Queen's Business School
- Member, Advisory Board of the School of Business and Management, University of Sharjah
- Chairman of the Board, Leadership Acceleration for Business (Abu Dhabi, UAE)

Education:

- Master of Science in Research, Henley Business School
- Master of Business Administration, American University of Beirut
- Bachelor of Science, Beirut Arab University
- Chartered Financial Analyst, CFA Institute

President and CEO



Paul Smith, CFA

Governor Since: 2015

Age: 57

Country: United States

Society Membership: Hong Kong and Virginia



Leadership



Global



Finance



Investment Management



Talent Development



Marketing

Current Position:

- President and CEO, CFA Institute, Charlottesville, Virginia, since 2015

Prior Positions:

- Managing Director, Asia Pacific, CFA Institute, Hong Kong
- Managing Director, Asia Alternative Asset Partners (Caymans) Ltd., Hong Kong
- Global Head, Alternative Fund Services, HSBC, New York, New York, United States

Board Committee Service:

- Awards Committee (FY2015, FY2016)
- Executive Committee (FY2015, FY2016, FY2017)
- External Relations and Volunteer Involvement Committee (FY2015, FY2016)
- Planning Committee (FY2015, FY2016)

Current Positions on Other Boards:

- Director, Optimal Funds Ltd.
- Director, Enhanced Investment Products Ltd.
- Director, Ballingal Investment Advisors
- Director, Firth Investment Management Fund
- Director, Panah Fund
- Director, Manulife Global Fund

Education:

- Master of Arts, Oxford University
- Chartered Financial Analyst, CFA Institute
- Fellow of the Institute of Chartered Accountants of England and Wales

Outgoing Governors

The terms of the following governors will expire at the end of fiscal year 2017. These governors have served with distinction and made significant contributions to the Board and CFA Institute in general. We sincerely thank them for their valuable service.



Beth Hamilton-Keen, CFA

Governor Since: 2010

Age: 47

Country: Canada

Society Membership: Calgary



Current Position:

- Director, Investment Counseling, Mawer Investment Management Ltd., Calgary, Alberta, Canada, since 2005

Prior Positions:

- Senior Portfolio Manager, Mawer Investment Management Ltd., Calgary, Alberta, Canada
- Vice President, CIBC Private Investment Counsel, Calgary, Alberta, Canada
- Assistant Vice President, TAL Private Management Ltd., Calgary, Alberta, Canada

Board Committee Service:

- Board of Governors Past Chair (FY2017)
- Board of Governors Chair (FY2016*)
- Board of Governors Vice Chair (FY2015)
- Advocacy Working Group (FY2016)
- Audit and Risk Committee (FY2012)
- Awards Committee (FY2014, FY2015*, FY2016)
- Compensation Committee (FY2017*)
- Compensation and Governance Committee (FY2013, FY2015)
- Education Working Group (FY2015)
- Executive Committee (FY2013, FY2015, FY2016*, FY2017)
- External Relations and Volunteer Involvement Committee (FY2013*, FY2014)
- Governance Working Group (FY2016*)
- Nominating Committee (FY2016, FY2017*)
- Planning Committee (FY2011, FY2014, FY2015, FY2016)

Additional Volunteer Experience:

CFA Institute

- Trustee, CFA Institute Research Foundation
- CFA Exam Grader

Society

- Past Presidents Council Representative
- Past President and Board Member, CFA Society Calgary

Education:

- Bachelor of Business Administration, Acadia University
- Chartered Financial Analyst, CFA Institute
- High Performance Boards Program, International Institute for Management Development
- Master Class, National Association of Corporate Directors

* Denotes the governor served as Chair



Attila Koksai, CFA

Governor Since: 2011

Age: 56

Country: Turkey

Society Membership: Istanbul



Independent



Leadership



Global



Finance



Government



Investment Management

Current Position:

- Board Member, Ünlü Menkul Değerler A.Ş. (formerly Standard Ünlü A.Ş.), Istanbul, Turkey, since 2002

Prior Positions:

- President and CEO, Inter Asset Management, Inc., Istanbul, Turkey
- President, Inter Yatirim A.Ş., Istanbul, Turkey
- Senior Vice President, Yatirimbank A.Ş., Istanbul, Turkey

Board Committee Service:

- Audit and Risk Committee (FY2012)
- Compensation and Governance Committee (FY2014)
- Executive Committee (FY2015)
- External Relations and Volunteer Involvement Committee (FY2013, FY2015*, FY2016)
- Nominating Committee (FY2015, FY2016)
- Society Partnership Working Group (FY2013*)
- Board of Governor Liaison, Credentialing (FY2017)

Additional Volunteer Experience:

Society

- Past Presidents Council Representative
- Past President and Founding Member, CFA Society Turkey

Current Positions on Other Boards:

- Board Member, CIT Kurumsal Danışmanlık ve Yatırım A.Ş.
- Board Member, Alpela Finansal Yatırımlar A.Ş.
- Board Member, World Wildlife Fund Turkey
- Vice Chair, Financial Literacy Association of Turkey

Education:

- Master of Business Administration, Drexel University
- Bachelor of Science, Bogazici University
- Chartered Financial Analyst, CFA Institute

* Denotes the governor served as Chair



Scott Proctor, CFA

Governor Since: 2014

Age: 46

Country: United States

Society Membership: San Francisco and Philadelphia



Independent



Leadership



Global



Finance



Information Technology

Current Position:

- Chief Digital Officer and Head of Global e-Commerce, Ingram Micro Inc., Irvine, California, United States

Prior Positions:

- Managing Vice President, Information Technology, Capital One, San Francisco, California, United States
- Vice President, Global Enterprise Technology Operations, eBay Inc., San Jose, California, United States
- Chief Technology Officer and Head of Quality for Global Marketing Services Division, eBay Enterprise, King of Prussia, Pennsylvania, United States

Board Committee Service:

- Audit and Risk Committee (FY2015, FY2016, Sept. 2016-Jan. 2017*)
- Executive Committee (Sept. 2016-Jan. 2017)

Education:

- Bachelor of Arts, University of Virginia
- Master of Business Administration, University of Virginia
- Master of Science, University of Virginia
- Chartered Financial Analyst, CFA Institute

* Denotes the governor served as Chair



Michael Trotsky, CFA

Governor Since: 2014

Age: 53

Country: United States

Society Membership: Boston

 Independent
  Leadership
  Finance
  Investment Management

Current Position:

- Executive Director and CIO, Massachusetts Pension Reserves Investment Management (PRIM) Board, since 2010

Prior Positions:

- Senior Vice President and Portfolio Manager, PAR Capital Management, Boston, Massachusetts, United States
- Senior Analyst, Greenberg-Summit Partners, Boston, Massachusetts, United States
- Principal and Senior Vice President, Independence Investment Associates, Boston, Massachusetts, United States

Board Committee Service:

- Advocacy Working Group (2FY2016)
- Audit and Risk Committee (FY2015)
- Awards Committee (FY2016)
- External Relations and Volunteer Involvement Committee (FY2016)
- Investment Committee (FY2016*, FY2017*)
- Board of Governors Liaison, Standards and Advocacy (FY2017)

* Denotes the governor served as Chair

Additional Volunteer Experience:

CFA Institute

- Past Chair, Asset Manager Code Advisory Committee

Society

- Board Member, CFA Society Boston

Current Positions on Other Boards:

- Member, Boston Economics Club

Education:

- Bachelor of Science in Electrical Engineering, University of Pennsylvania
- Master of Business Administration, The Wharton School, University of Pennsylvania.
- Chartered Financial Analyst, CFA Institute

Please visit our website for [additional information](#) on the current members of the Board and the Leadership Team.

BOARD OF GOVERNORS

General

The Board of Governors is the highest governing authority of CFA Institute. It is responsible for defining the organization's vision, mission, and strategies, and provides leadership and oversight through a policy-based approach. The Board is composed of 18 members – 17 independent governors who serve in a volunteer capacity plus the president and CEO. They are from 10 countries: Australia, Canada, China, India, Switzerland, Turkey, the United Kingdom, the United Arab Emirates, and the United States.

Selection of Governors

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 diversity of our profession.

Each governor is elected by the membership of CFA Institute for a three-year term that runs from 1 September to 31 August.

AVERAGE SERVICE TENURE

3.10
YEARS

GENDER DIVERSITY

72%
MEN

28%
WOMEN

REGIONAL REPRESENTATION

AMERICAS

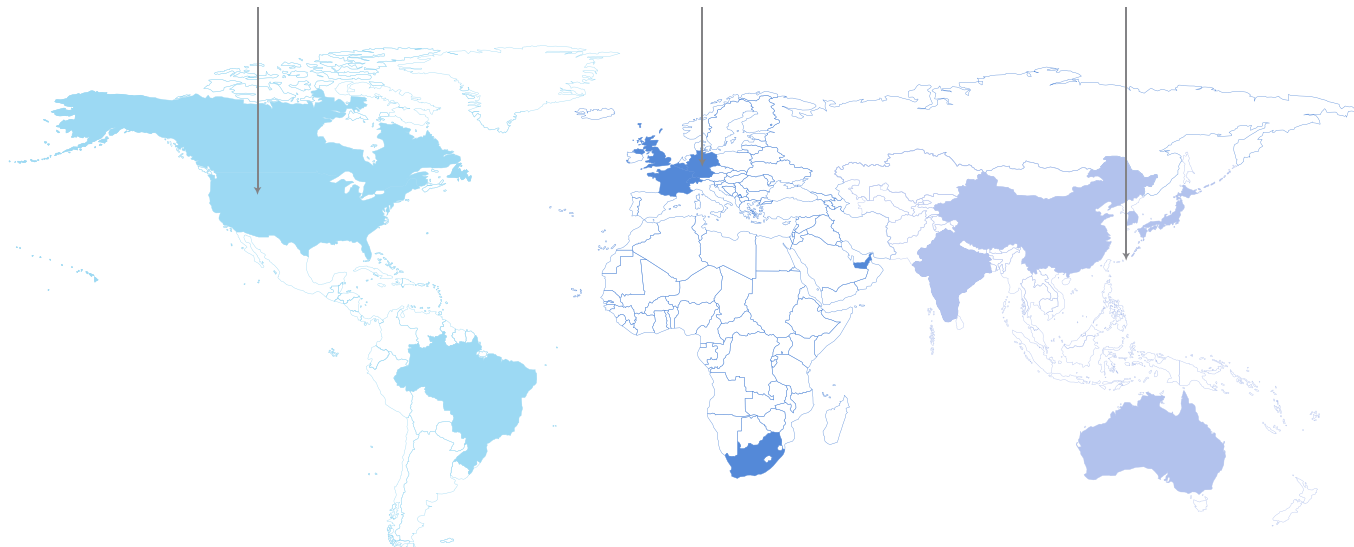
33%

EUROPE, MIDDLE EAST & AFRICA

39%

ASIA PACIFIC

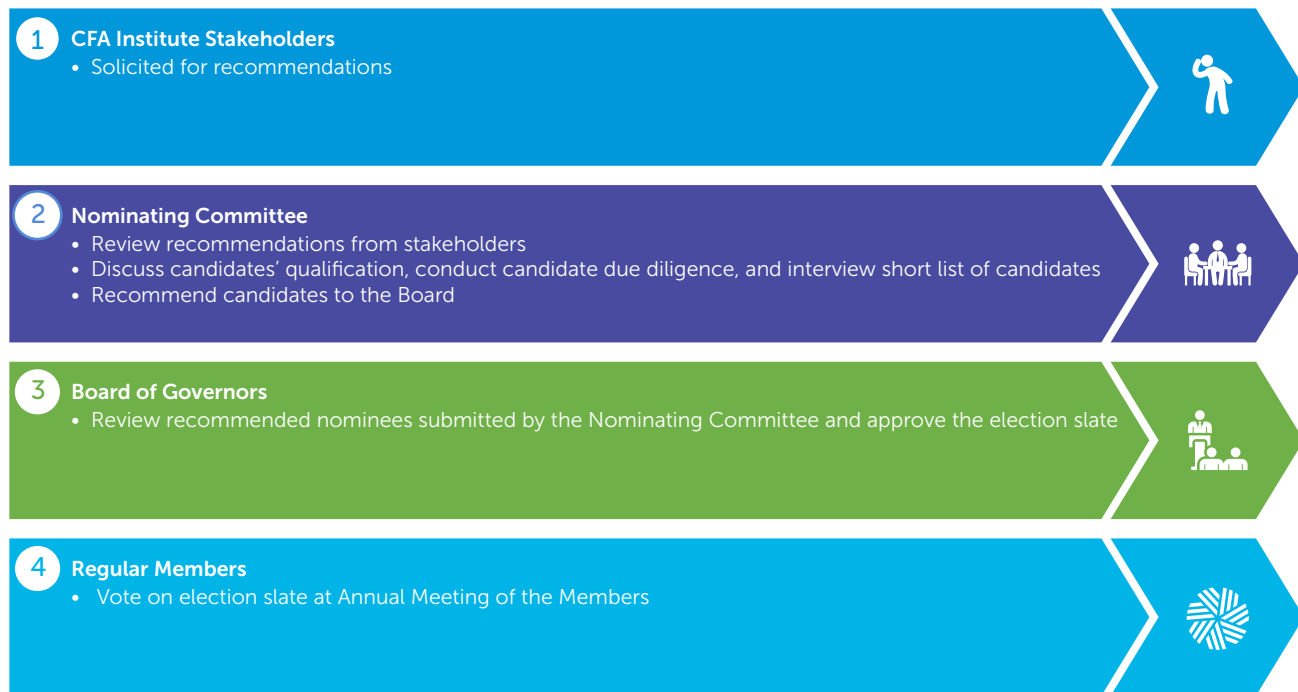
28%



When considering individuals for nomination or re-nomination to the Board, the Nominating Committee (NC) reviews the guidance and annual self-assessment feedback provided by the Board 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 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 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 Nominating Committee by following [the procedures posted on our website](#).

GOVERNOR RECRUITMENT PROCESS



The Board's Roles and Responsibilities

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

- Our business and operations, including ongoing assessment and management of risk;
- Guiding and monitoring management of 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 renewal.

Risk Oversight

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

Strategic Oversight

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

Talent Management and Succession Planning

The Board believes that overseeing talent management and succession planning is among its key responsibilities. Accordingly, succession planning is discussed in executive session at the in-person Board meetings throughout the year.

Compliance

A commitment to ethical conduct is essential to our core philosophy and culture. The Board, directly and through the Audit and Risk Committee, oversees the operation of our Compliance & Ethics framework and the activities of our Chief Compliance, Risk and Ethics Officer, who reports dually to the CEO and the Audit and Risk Committee.

Governance

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

Additional information on the Board's roles and responsibilities appears in the Board Committees section.

BOARD STRUCTURE AND PROCESSES

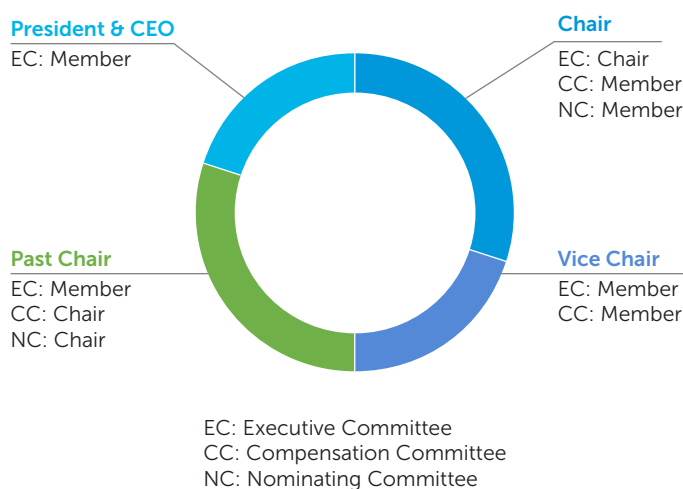
Board Leadership

Our Chair and Vice Chair are independent governors elected by CFA Institute regular members and serve essential roles on the Board. The president and CEO is the only governor on our Board who is not independent. The remaining 17 governors are independent governors elected by our members.

Board leadership consists of a Chair, a Vice Chair, and a Past Chair. These leaders 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 and engagement.

Board Leadership Structure and Responsibilities

BOARD LEADERSHIP STRUCTURE



Chair Responsibilities

- Preside at all Board and member meetings;
- Serve as Executive Committee Chair (and preside at its meetings) and as a member of the Compensation and Nominating Committees;
- Approve meeting agendas and schedules for the Board and Executive Committee;
- Coordinate the work of the committees of the Board;
- Regularly meet with the President and CEO and serve as a liaison between the Board, the CEO and other members of the senior management team;
- Operate closely with the Past Chair and Vice Chair on the rolling three-year Strategic Plan goals to ensure continuity and follow through;
- Meet with the Chair-elect in advance of his or her succession to Chair to discuss the Board's initiatives;
- Review and approve the goals and development plan for the CEO;
- 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;
- Serve as the Chair of CFA Institute in the event of the Chair's incapacity, resignation, removal or death;
- Serve as a member of the Executive and Compensation Committees;
- Provide input on the evaluation of Board members for feedback to the nomination process;
- Operate closely with the Chair and Past Chair on the rolling three-year Strategic Plan goals to ensure continuity and follow through;
- Develop and strengthen working relationships with the President and CEO and with other members of the senior management team;
- Lead the process for developing recommendations for the Board committee appointments subject to Board approval;
- Oversee and participate in 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; and
- Serve in an ambassadorial role for the organization.

Past Chair Responsibilities

- Serve as Chair and preside at all meetings of the Compensation and Nominating Committees;
- Operate closely with the Chair and Vice Chair on the rolling three-year Strategic Plan goals to ensure continuity and follow through;
- Assist the Chair and Vice Chair with respect to building relations with the Board, the CEO or other members of the senior management team;
- Provide strategic perspective to the Chair and Vice Chair regarding existing and proposed strategic initiatives; and
- Serve in an ambassadorial role for the organization.

Board Self-Assessments

The Board conducts an annual self-assessment survey of its own effectiveness to continuously improve governance and support the organization's performance. The areas covered include Board and Committee composition and processes, governance, collaboration, communication, leadership, and culture, as well as individual contributions.

In fiscal year 2016, the Board also engaged a consultant to conduct a review of the contributions of individual CFA Institute governors. The consultant held interviews with each of the governors and asked them to opine on their fellow Board members' capacity in the following competency areas:

1. Interpersonal Communication
2. Cultural Sensitivity
3. Tone at the Top
4. Business Judgment
5. Passion for CFA Institute

The results of the self-assessment demonstrated that the Board reflects a balanced combination of competencies and skills, and that the Board is functioning well in all critical areas of governance. In addition, the self-assessment indicated that the governors have confidence in the Leadership Team and finds the team to be responsive to the Board and has a shared understanding of the strategic direction of the organization.

Board Committees

In March 2016, as part of the organization's US Public Company Standards initiative, the Board approved a new committee structure effective 1 September 2016. Under the guidance of several consultants with expertise in sound governance practices – including those applicable to US public companies – the Board resolved to sunset the Planning, External Relations and Volunteer Involvement, and Awards Committees; to move the awards responsibilities under the scope of the Nominating Committee and the governance responsibilities under the scope of the Executive Committee; and, to create the Society Partnership Advisory Council.

With the new structure in place, the Board utilizes the following committees to assist with the fulfillment of its oversight functions: Executive Committee, Compensation Committee, Audit and Risk Committee, Nominating Committee, Investment Committee, and Society Partnership Advisory Council. The current composition and principal responsibilities of each committee are:

Fiscal Year 2017 Committees	Voting Members	Roles and Responsibilities
Executive Committee The Committee Charter is posted on our website	Board Members <ul style="list-style-type: none"> • Frederic Lebel, CFA (Chair) • Beth Hamilton-Keen, CFA • Robert Jenkins, FSIP • Colin McLean, FSIP • Paul Smith, CFA 	<ul style="list-style-type: none"> • Managing the Board's functions and operations • Establishing and maintaining the lines of reporting and responsibility among Board committees, the Board, and management • Promoting sound Board and organizational governance and Board effectiveness, including recommendations to the Board • Providing oversight of the organization's implementation of and adherence to US public company standards • Evaluating the performance of the Board and its other committees • Providing oversight of and accountability to Board-related budget items and expenses
Compensation Committee The Committee Charter is posted on our website	Board Members <ul style="list-style-type: none"> • Beth Hamilton-Keen, CFA (Chair) • Mark Lazberger, CFA • Frederic Lebel, CFA • Colin McLean, FSIP 	<ul style="list-style-type: none"> • Setting appropriate compensation and succession planning policies for CFA Institute • Evaluating the performance of the President and CEO and setting CEO compensation • Reviewing the compensation and all related plans, policies and programs of the executive officers of CFA Institute
Nominating Committee The Committee Charter is posted on our website	Board Members <ul style="list-style-type: none"> • Beth Hamilton-Keen, CFA (Chair) • Elizabeth Corley, FSIP, CBE • Daniel Gamba, CFA • Frederic Lebel, CFA Non-Board Members <ul style="list-style-type: none"> • Julio Cardozo, CFA • Anne-Katrin Scherer, CFA • Kenneth Yee, CFA 	<ul style="list-style-type: none"> • Annually proposing Board nominees for the positions of governor whose terms are expiring and for the positions of Chair and Vice Chair • Seeking and identifying nominees with the skill sets and diversity of characteristics appropriate to generate a properly balanced Board • Carrying out all activities required by the Awards Policy, specifically the identification, vetting and selection of award nominees
Audit and Risk Committee The Committee Charter is posted on our website	Members <ul style="list-style-type: none"> • Robert Jenkins, FSIP (Chair) • Diane Nordin, CFA • Sunil Singhania, CFA • George Spentzos, CFA, FSIP • Zouheir Tamim El Jarkass, CFA 	<ul style="list-style-type: none"> • Overseeing financial and audit systems • Overseeing processes for monitoring compliance as it relates to financial integrity • Evaluating and monitoring risks • Appointing, evaluating, compensating, and if appropriate, terminating the independent auditor
Investment Committee The Committee Charter is posted on our website	Members <ul style="list-style-type: none"> • Michael Trotsky, CFA (Chair) • Sunil Singhania, CFA Non-Board Members <ul style="list-style-type: none"> • Simon Cawdery, CFA • Bob Dannhauser, CFA • Tony Tan, CFA 	<ul style="list-style-type: none"> • Providing strategic direction and oversight of the CFA Institute reserves
Society Partnership Advisory Council (SPAC) The Council Charter is posted on our website	Members <ul style="list-style-type: none"> • Heather Brilliant, CFA (Co- Chair) • Daniel Gamba, CFA Non-Board Members <ul style="list-style-type: none"> • Daniel Fasciano, CFA (Co-Chair) • James Bailey, CFA • Bjorn Forfang • Stephen Horan, CFA • Anne-Katrin Scherer, CFA 	<ul style="list-style-type: none"> • Monitoring and providing guidance on projects impacting Member Society strategy and support • Reviewing and providing feedback on the status and effectiveness of internal engagement with Member Societies

Fiscal Year 2016 Board and Committee Meetings Held and Member Attendance

In fiscal year 2016, the Board met seven times, and average attendance at the Board meetings was 89%. With the exception of a one-day Board retreat, 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 10 hours. Other meetings were held via videoconference, each lasting approximately one hour in duration.

The table below shows the composition and the number of meetings held by each committee in fiscal year 2016.

Governors	Board (7 Meetings)	Executive Committee (10 Meetings)	Compensation and Governance Committee (7 Meetings)	Nominating Committee (12 Meetings)	Audit and Risk Committee (12 Meetings)	External Relations and Volunteer Involvement Committee (8 Meetings)	Planning Committee (7 Meetings)	Awards Committee (4 Meetings)	Advocacy Working Group (5 Meetings)	Governance Working Group (3 Meetings)
Giuseppe Ballocchi, CFA	7						7			
Heather Brilliant, CFA	6	10				8*				3
Daniel Gamba, CFA	7			11			6		4	
Beth Hamilton-Keen, CFA	7*	10*	7	12			7	4	4	3*
Robert Jenkins, FSIP	6	8					7*		3	
James Jones, CFA	7					8				
Attila Koksai, CFA	6			10		6				
Mark Lazberger, CFA	4		5				6			3
Frederic Lebel, CFA	7	10	7		10			4*	5*	3
Aaron Low, CFA	7	10	7*	12*			4		2	
Colin McLean, FSIP	7	10			12*					
Scott Proctor, CFA	4				10					
Sunil Singhania, CFA	5				10			2		
Paul Smith, CFA	7	9				2	6	3		
George Spentzos, CFA, FSIP	7				12					3
Lynn Stout	6		7				7			
Zouheir Tamim El Jarkass, CFA	7					8			3	
Michael Trotsky, CFA	6					8		4	2	
Yu Hua, CFA	6					8				

* Board and/or Committee Chair

Board Expenses

CFA Institute governors volunteer their service to the Board and therefore do not receive compensation. The information in the table below reflects the amounts paid by CFA Institute in fiscal year 2016 in connection with Board members' attendance at meetings of the Board and its committees.

Category	Board Meetings	Outreach Activities	Board Working Groups**	Total Category
Transportation	\$468,779	\$201,150	\$55,397	\$725,326
Lodging & Meals	\$206,130	\$75,855	\$33,983	\$315,968
Total Expenses	\$674,909*	\$277,005	\$89,380	\$1,041,294

* In fiscal year 2016, the Board and/or its committees held in-person meetings in Hong Kong, Brussels, Montreal, and Santa Monica.

** In fiscal year 2016, the Board created two working groups, the Advocacy Working Group (AWG) and the Governance Working Group (GWG). These expenses are associated with members of the AWG holding two in-person meetings, one in London and the other in New York, with both occurring in February 2016, and the GWG holding one in-person meeting in San Francisco in January 2016.

CORPORATE GOVERNANCE

US Public Company Standards Initiative

In October 2015, the Board of Governors decided to pursue higher standards of transparency and disclosure by following, where appropriate, the governance practices and standards followed by US public companies, as required by the Securities and Exchange Commission, the New York Stock Exchange, and other regulators and influencers. This decision specified that the implementation of any practice or standard would need to be in the best interest of our membership and the organization, and that if it was determined that a particular practice or standard was inappropriate considering the nature and mission of the organization, the Board would provide an explanation for such a determination.

As a result of this initiative, the 2016 Annual Report included a more forward-looking stance with respect to our strategic direction and expanded commentary from our strategic functions. Additionally, this proxy statement includes enhanced information about our corporate governance framework and organizational compensation practices.

The Board made the determination to opt out of the following provisions related to this initiative:

- The Nominating Committee would not consist solely of independent directors. Each governor who is a member of the Committee is independent under New York Stock Exchange listing standards and any applicable independence guidelines of CFA Institute. However, the committee also includes two regular members elected by the Presidents Council Representatives, and one regular member who is a charterholder and elected by either of the two CFA Program Committees. The decision concerning the composition of the Nominating Committee was intended to give representation to CFA Institute stakeholders. A fully independent Nominating Committee would not allow for this type of diversity and would decrease the range of perspectives and experience, specifically the CFA Institute-specific depth and perspective brought by the Presidents Council and CFA Program Committee appointees, who help align board talent with the specific needs of CFA Institute and its members.
- Members of CFA Institute would not conduct an advisory vote on executive compensation, commonly known as a “say-on-pay” vote. The Board determined that a say-on-pay vote is not appropriate because of the organization’s status as a not-for-profit entity that does not have shareholders; that it is not possible to use “Total Shareholder Return” or other pay-for-performance metrics that are typically used in public company say-on-pay votes; and that CFA Institute does not use a peer group to measure organizational financial returns. CFA Institute has taken other measures to facilitate better accountability with respect to performance by enhancing transparency around executive compensation practices. The CFA Institute compensation philosophy, annual report, proxy statement, and form 990 are available on our public website for stakeholders to view. Additionally, all CFA Institute managing director positions are reported in the proxy statement. The Compensation Discussion and Analysis also elaborates on CFA Institute executive compensation programs.

Enterprise Risk Management

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 the Audit and Risk Committee, are responsible for the oversight of risk management. In its risk oversight role, the Audit and Risk Committee, which consists of at least three independent members and is required to meet at least four times each fiscal year, is responsible for determining that management’s risk governance framework and guidelines, and the policies and processes for monitoring and mitigating risk, are adequate to their purpose. Risk management is conducted in the Compliance, Risk & Ethics Division, headed by the Chief Compliance, Risk and Ethics Officer, who reports dually to the CEO and the Audit and Risk Committee.

In fiscal year 2016, the maturity of the Enterprise Risk Management program was assessed and compared to the status of the program in fiscal year 2013. The assessment reflected significant and positive movement due to changes made in fiscal years 2015 and 2016. Recommendations for additional areas of improvement were made and assessed, from which a work plan was developed.

The work of the risk management function is supported by the internal Risk Management Committee, an inter-department group comprised of individuals with insight into the risks facing CFA Institute. This committee meets approximately four to six times per fiscal year to analyze risk and make recommendations.

In fiscal year 2016, Risk Management did not conduct a compensation risk assessment.

Compliance and Ethics

A commitment to ethical conduct is essential to our philosophy of excellence. We have adopted a compliance and 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 Compliance & Ethics program was formalized in fiscal year 2016; and, in its first year, we conducted a robust framework assessment to ensure proper prioritization, resourcing, and strategy for the program in support of our global business operations.

The CFA Institute Code of Conduct and Code of Ethics applies to all our employees as well as to our volunteers, independent contractors, temporary employees, 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, workplace violence, 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 establish a highly ethical “tone at the top” and 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 can be found in the Board Committees section.

AUDIT MATTERS

Audit and Risk Committee Report

The Audit and Risk Committee is composed of five active governors who are independent of CFA Institute management and free of any relationship that, in the opinion of the Board, would interfere with their ability to exercise independent judgment as committee members. The Audit and Risk Committee members' [professional biographies](#) along with the Committee [Charter](#), as adopted by the Board of Governors, are available on our website.

Audit and Risk Committee Fiscal Year 2017

Robert Jenkins, FSIP (Chair, 30 January 2017 – current)
 Scott Proctor, CFA¹ (Chair, 1 September 2016 – 20 January 2017)
 Diane Nordin, CFA
 Sunil Singhania, CFA
 George Spentzos, CFA, FSIP
 Zouheir Tamim El Jarkass, CFA

The Board has determined that three of the five currently serving Audit and Risk Committee members satisfy the financial literacy requirements of the New York Stock Exchange and have the requisite experience to be designated an "audit committee financial expert," as that term is defined by the rules of the US Securities and Exchange Commission. The following currently serving members meet the requirements: Robert Jenkins, FSIP; Diane Nordin, 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 independent public accounting firm (independent auditor) representing CFA Institute 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).

The committee meets regularly with management and its auditor PricewaterhouseCoopers, LLP (PwC) to discuss the audit of the consolidated financial statements and maintains unrestricted access to the audit partner to ensure independent oversight. The Committee also meets in executive session with PwC to discuss matters required under auditing standards generally accepted in the United States, including those matters set forth in AICPA AU-C Section 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 Audit and Risk Committee.

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

Based on the review and discussions noted above, the Committee recommended to the Board that the audited CFA Institute Consolidated Financial Statements as of 31 August 2016 and 2015 be included in the annual report.

¹ Scott Proctor, CFA, voluntarily stepped down from his appointment as fiscal year 2017 Chair of the Audit and Risk Committee on 20 January 2017 due to unforeseen time constraints realized by taking on a new leadership role in his profession. The Audit and Risk Committee benefited from Mr. Proctor's leadership as committee chair and his expertise as a former member of the committee in fiscal year 2016, including as an information technology expert and audit committee financial expert. CFA Institute appreciates Mr. Proctor's conscientious decision for the benefit of the organization. We experienced a smooth transition to the interim Chair Robert Jenkins, FSIP. Mr. Proctor remains a member of the Board of Governors in fiscal year 2017.

Appointment of the Independent Public Accounting Firm

The Audit and Risk Committee has appointed PwC as the organization's independent public accounting firm for fiscal year 2017. The reappointment of PwC was based on satisfaction with the auditor's performance over their 15-year tenure, responsiveness to issues, and management's view of their role as a strategic partner who adds value to CFA Institute in the marketplace. 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 PwC during the most recent fiscal year are compatible with maintaining their independence. PwC 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 2016 and 2015 (in thousands):

	2016	2015
Audit ^(a)	\$339	\$176
Audit related ^(b)	36	43
Tax ^(c)	230	151
Total	\$605	\$370

(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 the services provided in accordance with their pre-approval and the fees for the services performed.

COMPENSATION DISCUSSION AND ANALYSIS

Philosophy and Objectives of Our Executive Compensation Program

CFA Institute compensation philosophy is designed to help attract, motivate, and retain top-level executive talent, and reinforce a results-oriented culture through differentiated performance awards that are necessary to deliver sustained high performance to our members and stakeholders.

We apply the same compensation principles to our executives as we do to the rest of our employees. These principles are:

- Competitive and equitable programs that support the strategic goals of our organization;
- Global consistency in the design of our compensation programs while recognizing the need to reflect local practices where necessary;
- Balancing the need to attract talent from the industry while simultaneously recognizing the non-profit structure of our business when designing pay practices; and
- Programs that are consistent, fair, and free from discrimination.

How We Make Executive Compensation Decisions

Role of the Compensation Committee

We are committed to having a strong and effective corporate governance framework. The Compensation Committee (CC) of the Board of Governors provides oversight on executive pay. There are four independent governors on this committee who are free of any relationship that would interfere with their exercise of independent judgment. The committee meets as necessary throughout the year to discuss matters related to executive pay and to provide direction.

We refer to our president and CEO, and to our managing directors, as "executives." The CC determines the compensation of our CEO, including any incentives, and the group may engage independent consultants to provide necessary recommendations. The CC also approves the compensation plan for the organization for implementation by the CEO, which includes how much we spend in aggregate on salary increases and incentives for our employees.

Performance is at the forefront of our executive compensation program. As an organization, we value the development of strong goals for our executives. We focus on selecting the right metrics to measure their progress toward these goals, so that we can assess and calibrate performance in a meaningful way. Our objective is to recognize the needs of the organization while keeping in mind both financial and strategic priorities that create value for our members. At the end of the year, the CC considers other factors as well, such as the organization's overall performance and how much progress was made towards our strategic objectives to determine the CEO's compensation.

Other than the CEO, the Chief Compliance, Risk & Ethics Officer (CCREO) reports to both the CEO and Chair of the Audit and Risk Committee with his compensation set by the CC.

GOVERNANCE MEASURES

- ✓ Appointment of a Compensation Committee (CC) comprising of independent directors
- ✓ The CC meets periodically in executive sessions (that is, outside the presence of any senior executive)
- ✓ The CC establishes CEO compensation
- ✓ Adherence to a compensation philosophy
- ✓ The CC is authorized to engage outside independent and legal advisors when deemed necessary
- ✓ CEO does not participate in CC deliberations concerning CEO compensation

For other executives, except the CEO and CCREO, the CC reviews their goals and performance priorities prior to the beginning of each fiscal year to ensure focus and accountability.

We review and discuss any disclosures regarding our compensation plans, policies, programs and practices with the CC, and obtain guidance on executive employment agreements and severance arrangements.

We believe it is essential to have the right people in the right place at the right time. We review our CEO and other executive succession plans with the CC to ensure we are prepared for the future and have leadership continuity within our organization by recruiting and/or encouraging individual employee growth and development.

Role of the CEO

The CEO makes performance and compensation decisions for all executives, with the exception of the CCREO.

He looks at each executive's contribution, individually and collectively as an executive team, and takes into consideration the successful execution of the organization's annual strategic goals and progress towards our long-term strategy. He also considers individual experience, individual performance, internal and external pay equity, development and succession status, time in the position, and other individual or organizational circumstances.

At the end of the performance cycle, the CEO reviews his assessment of each executive's individual performance and his compensation recommendations with the CC before confirming the decisions.

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

Benchmarking

In fiscal year 2016, we made the decision to conduct an independent executive pay study on an annual basis going forward as opposed to every three years. The last time we looked at executive market pay was in 2014. We have retained a global management consulting firm to conduct the 2017 survey. The firm performs this study on an independent fee basis and our CC provides oversight of this study.

There are a limited number of companies that closely resemble us in size, scope, and nature of business operations. The objective is to acquire a fair and relevant view of pay practices in markets where we are most likely to recruit our executive talent. As a result, for each executive position, the peer group selection differs and could span different industry sectors including not-for-profit firms, investment firms, academia and higher education, and general industry.

We evaluate the relevancy of benchmarks based on similar:

- size and complexity;
- global scale and scope;
- talent profile; and
- mission-driven membership/education focus.

For the CEO position, the not-for-profit organizations benchmarked for relevance include:

- 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
- Securities Industry and Financial Markets Association
- Society for Human Resource Management
- SRI International
- The Brookings Institute

The above list represents comparables used in the 2014 executive study and is not meant to be exhaustive.

Not-for-Profit	Investment Management	Academia/Higher Ed	General Industry
Peer companies based on mission, revenue, headcount, and global presence	Focusing on investment management firms, competitive market data is provided for the chief executive and other select executive positions	Pay data includes top administrative positions as applicable	Pay data includes pay levels from the US, London, and Hong Kong markets as applicable
Pay data is collected from publicly disclosed IRS form 990s	Data is summarized by location and size of organization	Third-party survey data is used focusing on PhD-granting universities	Data is sourced from third-party general industry survey providers
		Publicly disclosed pay data is used, focusing on the top 50 business schools	This data is a mix of for-profit and not-for-profit firms
			Analysis is focused on similarly sized organizations

The 2014 study by the CC's consultant found our executive pay to be well aligned to the not-for-profit sector as well as the market composite comprising all four industry sectors mentioned above.

Risk Provisions for Executive Pay

Under the guidance of the Compensation Committee, we are in the process of adopting two policies to address areas of risk with regards to our executive pay, and to align CFA Institute with industry best practice. These policies address executive incentive compensation issuance and recoupment, and are commonly referred to as "gate opener" and "clawback" policies, respectively.

The Executive Officer Incentive Compensation Issuance (Gate Opener) Policy prevents the issuance of incentive compensation to executives until the following criteria are met:

- a final, completed audit of the finances of CFA Institute has been conducted;
- no material issues pertaining to that executive officer's area of responsibility have been discovered through the audit process; and
- the executive officer has not engaged in significant misconduct.

The Executive Officer Incentive Compensation Recoupment (Clawback) Policy provides for CFA Institute to take action to recoup incentive compensation from an executive who has engaged in significant misconduct in the event that:

- CFA Institute is required to restate all or a portion of its financial statements due to material non-compliance with any financial reporting policies or practices;
- any performance metric for which incentive compensation has been awarded is later discovered to be materially inaccurate; or
- the executive exercised imprudent judgment that caused material reputational harm to CFA Institute.

The clawback arrangements are in place on a rolling three-year look back basis. The policy affects incentive compensation granted or paid during the last three years prior to the measurement date but following the effective date of the policy.

For the purposes of both policies, significant misconduct is defined as:

- willful commission of an act of fraud or dishonesty or recklessness in the performance of a person's duties, or
- exercising materially imprudent judgment that causes material financial or reputational harm to CFA Institute, including where the executive officer failed to supervise other employees under his or her direct control who engaged in such behavior. The incentive compensation of any executive will not be impacted if such employee was not involved in the misconduct at issue or was not responsible for the supervision of an employee involved in the misconduct at issue.

Both policies will be implemented for incentive compensation issued for fiscal year 2017 performance.

Executive Departures

Ray DeAngelo retired effective 4 January 2016. Prior to his departure, he served in an interim capacity as the Managing Director of our Relationship Management division and exercised oversight of the Services Delivery function. His tenure at CFA Institute spanned 25 years. His past roles at the organization included responsibility for the stakeholder services, marketing, and communications divisions of CFA Institute. He also played a pivotal role in reshaping and relaunching the standard setting and policy areas of CFA Institute, with the aim of developing timely, practical solutions to global capital market issues.

Tim McLaughlin, CFA, CPA, retired as Chief Administrative Officer and Chief Financial Officer effective 31 August 2016. His tenure at CFA Institute spanned 17 years. Tim 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 played a key role in our transformation from a small organization to the global organization we are today.

Donna Marshall retired as Managing Director, Human Resources effective 31 December 2016. Donna joined CFA Institute in 2010. During her tenure, she built and led a global Human Resources function that added tremendous value to our ability to achieve our strategic goals and objectives through the deployment of our people. Leadership Team member Nick Pollard will serve as the interim leader with immediate effect while we recruit Donna's successor.

Executive Hires

Darin Goodwiler joined CFA Institute on 21 September 2015 as Chief Compliance, Risk, and Ethics Officer. He is responsible for providing a comprehensive, global compliance and risk management framework and strategy for CFA Institute, its member societies, and affiliations. Under his direction, we plan to move the organization forward in terms of our compliance culture and programs, and risk management planning. Darin's position reports dually to the CEO and to the of the Audit and Risk Committee Chair of the Board of Governors.

Michael Collins joined CFA Institute on 13 January 2016 as Managing Director, Services Delivery, a division that includes the functions of marketing and communications, multimedia production, and the contact center. His focus is on serving both the internal clients of Services Delivery and delivering on the needs of the organization's external stakeholders.

Nick Pollard joined CFA Institute on 18 April 2016 as Managing Director, Asia Pacific, based in Hong Kong. Nick reports to the new Managing Director of Relationship Management, Bjorn Forfang. He is responsible for leading the APAC team to deliver measurable value to CFA Institute stakeholders and constituents throughout the region. Nick provides the strategic direction of the APAC region and plans to strengthen relationships with member societies, institutions, universities, regulators, and institutional partners.

Bjorn Forfang joined CFA Institute effective 15 May 2016 as Managing Director, Relationship Management. Based in New York, he is responsible for providing leadership to the functions of society relations, institutional partnerships, university relations, and government and regulator relations. In addition, the managing directors of the Americas, APAC, and EMEA regions also report directly to Bjorn. This reporting structure reinforces the importance of the organization's stakeholder relationships throughout the world and will provide consistent leadership and guidance for all relationship management activities.

Gary Baker, CFA, joined CFA Institute on 19 September 2016 as Managing Director, EMEA. Based in London, he reports to the Managing Director of Relationship Management, Bjorn Forfang. He is responsible for leading the EMEA team to deliver measurable value to CFA Institute stakeholders and constituents throughout the region. Gary provides the strategic direction of the EMEA region and plans to strengthen relationships with member societies, institutions, universities, regulators, and institutional partners.

To ensure appropriate transition and leadership, Sandy Peters, CFA, assumed the role of interim Chief Financial Officer effective 24 February 2016. **Diane Basile, CFA**, joined CFA Institute on 17 January 2017 as our new Chief Financial Officer (CFO) and Managing Director based in Charlottesville. Diane's strong financial background, strategic perspective, change management experience, and international exposure will enable her to provide the financial leadership CFA Institute needs in this period of growth and change. As a member of the Leadership Team, she will contribute fully to our strategic evolution and help drive global expansion. Diane will support the treasury, business planning and analysis, and the finance and operations teams.

Compensation Pay Elements

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

Pay Component	Purpose	2016 Compensation Actions
Annual Base Salary Regular annual salary of the executive	Provides fixed level of competitive compensation to attract, motivate, and retain executive talent Compensates executives for their level of responsibility, relative expertise, and experience	A 7% and a 5% salary increase effective 1 September 2016 was approved for the Managing Director, Americas and Managing Director, Chief Information Officer positions, respectively Salaries of all other executives stayed the same
Annual Incentive Plan Offers opportunities that are set as a percentage of base salary President and CEO may earn up to 100% of base salary Managing Director, Relationship Management with additional responsibility for Americas, APAC, and EMEA Regions may earn up to 75% of base salary All other managing directors may earn up to 50% of base salary	Motivates and rewards executives for achieving annual organizational objectives aligned with value creation Recognizes individual contributions to organizational performance	Annual incentive for the President and CEO for fiscal year 2016 was determined by the Compensation Committee of the Board at 85% of base salary Annual incentives for managing directors for fiscal year 2016 ranged from 20% to 50%. The average managing director incentive awarded was approximately 37%

Elimination of Executive Long-Term Incentive Compensation Plan

In December 2015, an independent compensation consulting firm was hired to evaluate the effectiveness of the executive Long-Term Incentive (LTI) program with respect to objectives, design characteristics, and prevalence in the market. Under the LTI plan, the incentive amount was determined over a three-year period and was based on the achievement of strategic goals, executive's contribution to the strategic plan, and demonstration of senior management leadership behaviors. The maximum annual LTI opportunity was up to 10% of the average base salary earned over the previous three-year period. Eligibility required the individual to be at an executive level position for three years to receive an LTI payment.

Based on the study findings, the Compensation Committee (CC) of the Board of Governors, after extensive review and thoughtful deliberation, made the decision to eliminate the program for CFA Institute executives starting in fiscal year 2017. The CC believed that the predictable level of payouts and the nature of the performance goals used under the plan did not serve as a significant incentive to performance and were not benefiting CFA Institute.

In July 2016, the CC reviewed the impact for participating executives and made the decision to provide the participants with a one-time lump sum payment equal to the present value of future LTI payments, estimated through September 2019. The aggregate amount of these lump sum payments made to eligible executives is approximately \$848,000 USD. The payouts have been reflected on the summary compensation table with the footnotes providing further details on the breakdown by executive.

The Long-Term Incentive Compensation Plan is now terminated and there will be no LTI awards in future years.

Retirement Program

CFA Institute provides a US 401(k) retirement plan for all employees paid through US payroll. Profit sharing contributions include a fixed 5% contribution, and a variable discretionary contribution that is approved annually by the CC. This discretionary contribution has historically been 7%. These contributions are made to all US employees on the same basis.

Compensation used for calculating 401(k) contributions is restricted by the annual US Internal Revenue Service (IRS) limit on compensation. A restoration benefit provides for an additional cash payment, equal to the 401(k) contributions for which employees qualify but cannot receive because of the US IRS limit on eligible annual compensation. All US employees are eligible for a restoration payment, if applicable.

A US-deferred compensation plan is also offered. Participation is voluntary and restricted to the president and CEO and managing directors domiciled in the US. 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 employees, profit-sharing contributions made by CFA Institute to a mandatory provident fund (MPF) plan include a fixed 5% contribution and a variable discretionary contribution that is approved annually by the CC. This discretionary contribution has historically been 7%. These contributions are made to Hong Kong employees on the same basis, and are inclusive of statutory MPF contributions. Hong Kong executives may, upon request, have their voluntary pension contributions contributed to a qualified personal pension account. There are no Hong Kong government limits on compensation or contributions associated with pension contributions. Therefore, Hong Kong employees are not eligible for a restoration payment.

For UK employees, fixed contributions made by CFA Institute to a pension scheme are 6% upon hire, rising to 12% after five years of service. These contributions are made to all UK employees on the same basis, except that the UK executive hired in 2006 receives fixed pension contributions of 15%. UK pension contributions are subject to an annual contribution cap of £40,000 and a lifetime contribution cap of £1.25 million. A restoration benefit provides an additional cash payment, equal to the pension contributions for which employees qualify but cannot receive because of Her Majesty's Revenue & Customs (HMRC) limits. All UK employees are eligible for a restoration payment, if applicable.

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 benefits. 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 specific facts and circumstances. We 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 health care 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 US 401(k) plan. There is work underway to institute a formal executive severance policy in the next 12 months that will be incorporated into the executive agreements.

Compensation Summary Table for Top Executives

The following table provides three-year compensation information for CFA Institute executives who served on the Leadership Team during fiscal year 2016 (sorted by 2016 earnings). The amounts shown are in USD.

Name and Position	Fiscal Year	Base Salary ¹	Incentive ²	LTI ³	Retirement Restoration ⁴	Retirement Plan Contribution ⁵	Other ⁶	Total ⁷
Paul Smith, CFA⁸ President & CEO (hired 3 Oct 2012)	2014	\$372,801	\$169,999			\$73,210	\$101,662	\$717,672
	2015	\$516,156	\$381,097	\$43,893		\$118,535	\$79,521	\$1,139,202
	2016	\$599,219	\$509,336	\$51,294		\$160,132	\$182,331	\$1,502,312
Timothy McLaughlin, CFA, CPA MD, Chief Financial Officer (hired 26 Apr 1999; retired 31 Aug 2016)	2014	\$334,750	\$159,006	\$33,475	\$32,188	\$31,200		\$590,619
	2015	\$334,750	\$150,638	\$33,475	\$30,464	\$31,800		\$581,127
	2016	\$360,000	\$180,000	\$34,317	\$7,229	\$31,800	\$719,522	\$1,332,868
Kurt Schacht, CFA MD, Standards & Advocacy (hired 17 May 2004)	2014	\$370,800	\$129,780	\$37,080	\$33,319	\$31,200		\$602,179
	2015	\$370,800	\$129,780	\$37,080	\$32,719	\$31,800		\$602,179
	2016	\$370,800	\$74,160	\$37,080	\$39,698	\$31,800	\$125,688	\$679,226
Donna Marshall MD, Human Resources (hired 26 Feb 2010; retired 31 Dec 2016)	2014	\$285,000	\$142,500	\$27,500	\$27,600	\$31,200	\$35,000	\$548,800
	2015	\$311,000	\$155,500	\$29,367	\$31,904	\$31,670	\$35,000	\$594,441
	2016	\$311,000	\$155,000	\$30,233	\$39,526	\$31,800	\$101,200	\$668,759
Nitin Mehta, CFA⁹ MD, Member Value (hired 6 Feb 2006)	2014	\$348,966	\$104,690	\$34,136		\$73,169		\$560,961
	2015	\$331,639	\$115,192	\$32,912		\$71,961		\$551,704
	2016	\$322,093	\$105,684	\$30,195		\$82,040	\$102,622	\$642,634
Steve Horan, CFA, CIPM MD, Credentialing (hired 16 Jan 2007)	2014	\$300,000	\$108,000		\$17,760	\$31,200		\$456,960
	2015	\$300,000	\$114,000	\$29,815	\$21,458	\$31,800	\$17,268	\$514,341
	2016	\$300,000	\$114,000	\$30,000	\$32,784	\$31,800	\$93,945	\$602,529
John Bowman, CFA MD, Americas (hired 2 Aug 2004)	2014	\$275,000	\$110,000		\$16,200	\$31,200	\$479,808	\$912,208
	2015	\$275,000	\$96,250	\$27,260	\$16,021	\$31,800		\$446,331
	2016	\$275,000	\$82,500	\$27,500	\$25,191	\$31,800	\$130,724	\$572,715
Elaine Cheng MD, Chief Information Officer (hired 14 Mar 2011)	2014	\$250,000	\$100,000	\$25,000	\$13,800	\$31,200		\$420,000
	2015	\$280,000	\$126,000	\$26,000	\$20,040	\$31,650	\$43,834	\$527,524
	2016	\$280,000	\$112,000	\$27,000	\$29,472	\$31,800	\$90,313	\$570,585
Sheri Littlefield MD, Chief Legal Officer (hired 17 Jun 2015)	2014							
	2015	\$59,318					\$60,000	\$119,318
	2016	\$290,000	\$101,500		\$9,743	\$31,800	\$60,543	\$493,586
Darin Goodwiler MD, Chief Compliance, Risk & Ethics Officer (hired 21 Sep 2015)	2014							
	2015							
	2016	\$198,864	\$69,473			\$23,719	\$86,573	\$378,628
Michael Collins MD, Service Delivery (hired 13 Jan 2016)	2014							
	2015							
	2016	\$178,182	\$70,882			\$14,208	\$79,901	\$343,173

Name and Position	Fiscal Year	Base Salary ¹	Incentive ²	LTI ³	Retirement Restoration ⁴	Retirement Plan Contribution ⁵	Other ⁶	Total ⁷
Ray DeAngelo MD, Relationship Management (hired 19 Feb 1991; retired 4 Jan 2016)	2014	\$370,800	\$152,028	\$37,080	\$35,989	\$31,200		\$627,097
	2015	\$370,800	\$148,320	\$37,080	\$34,944	\$31,800		\$622,944
	2016	\$126,409			\$14,832	\$14,984	\$117,136	\$273,361
Bjorn Forfang MD, Relationship Management (hired 16 May 2016)	2014							
	2015							
	2016	\$138,542	\$55,699					\$194,241
Nick Pollard MD, APAC (hired 18 Apr 2016)	2014							
	2015							
	2016	\$120,068	\$36,061			\$20,176	\$12,007	\$188,312

Footnotes to Compensation Summary Table:

- (1) Salary paid in that fiscal year (pro-rated for partial years where applicable based on hire date).
- (2) Incentive earned in that fiscal year, payouts fall in the next fiscal year.
- (3) Long-Term Incentive (LTI) earned in that fiscal year, payouts fall in next fiscal year. In March 2016, following an independent review of the executive LTI program conducted by an independent consulting firm, the Compensation and Governance Committee of the Board made the decision to eliminate the executive LTI program at CFA Institute. In July 2016, the Committee reviewed impact for participating executives and made the decision to provide the participants with a one-time lump sum payment equal to the present value of future LTI payments estimated through September 2019. The additional lump-sum is included in the 'Other' column (6). The Long-Term Incentive Compensation Plan is now terminated and there will be no LTI awards in future years.
- (4) Restoration earned in that fiscal year. Amounts reflect payment made in order to compensate executives for the unfunded retirement/pension contributions due to government imposed compensation and/or contribution limits. US Annual Compensation cap for 401(k) contributions was \$255,000 for calendar year 2014, \$260,000 for calendar year 2015, and \$265,000 for calendar year 2016. Executives based in Hong Kong are not subject to compensation or contribution limits; therefore, they are not eligible for a restoration payment. For UK executives, contribution limits prior to the 2014-2015 tax year were £50,000 per year and £1.5 million lifetime; the limits were then reduced to their current levels of £40,000 per year and £1.25 million lifetime.
- (5) Employer Retirement contributions made to the executive's retirement or pension plan.
- (6) Amounts reported in the 'Other' column if total value is \$10,000 or more.
 - The amounts for Mr. Bowman reflect a temporary expatriate assignment where he was selected to lead the launch of the new global education initiative, the Claritas Investment Certificate Program (now the Investment Foundations Program), from the London office. Mr. Bowman repatriated back to the US in May 2014. The 2014 amount has been adjusted to include two equalization payments received from John Bowman since it was last reported on the 2014 proxy statement. The expatriate related amount for 2016 reflects a tax equalization settlement made in 2016 for the earlier expatriate assignment.
 - The bonus as reported under this category includes sign-ons of \$60,000 for Ms. Littlefield in 2015 and \$50,000 for Mr. Collins in 2016. A one-time special bonus of \$35,000 was awarded to Donna Marshall in 2014 and 2015 to compensate for an interim assignment related to CEO transition. The 2016 amount of \$86,201 shown for Mr. DeAngelo reflects agreed terms per his retirement transition of \$51,201 pro-rated incentive for 2016 and a payment of \$35,000 to financially accommodate early retirement.

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The table below provides detailed breakdowns of the various categories that are included in the "Other" column on the summary table for each executive.

	Paul Smith, CFA			Tim McLaughlin, CFA, CPA	Kurt Schacht, CFA	Donna Marshall			Nitin Mehta, CFA
	2014	2015	2016	2016	2016	2014	2015	2016	2016
Bonus (Sign-On, Other)	\$30,000	\$30,228				\$35,000	\$35,000		
Group-Term Life				\$8,158	\$9,393			\$7,005	
Long Term Disability				\$2,196	\$2,262			\$1,897	
PTO Payout				\$38,269					
Relocation Non Cash									
Tax Gross Up		\$30,753						\$31	
Taxable Fringe Benefits								\$50	
Taxable Airfare	\$30,472	\$18,085	\$4,327		\$1,988				\$2,455
Wellness Reim				\$226	\$600				
Relocation Lump Sum									
Severance				\$670,000					
Expat Miscellaneous									
Executive Life		\$455		\$673	\$1,016			\$590	
Parking					\$1,184				
Tax Prep Services			\$3,420						\$3,256
Taxable UK Health Plan									\$1,154
Taxable UK Medical									\$6,795
HK Housing Allowance	\$37,280								
Net US Taxes	\$3,910								
LTI Lump-Sum Payout			\$174,584		\$109,246			\$91,627	\$88,963
Total Other Income	\$101,662	\$79,521	\$182,331	\$719,522	\$125,688	\$35,000	\$35,000	\$101,200	\$102,622

(7) Total represents total value of columns 1-6.

(8) Mr. Smith assumed the role of the president and CEO effective 20 January 2015. Prior to that, he was managing director for CFA Institute Asia Pacific operations. The data for fiscal year 2015 reflects combined earnings of both positions he held in fiscal year 2015. Mr. Smith is paid in Hong Kong dollars. The USD equivalents are shown in the table above. HKD to USD conversion rates used in 2014, 2015, and 2016 are 0.129, 0.130, and 0.129, respectively.

(9) Mr. Mehta is paid in British Pounds. The USD equivalents are shown in the table above. GBP to USD conversion rates used in 2014, 2015, and 2016 are 1.667, 1.584, and 1.442, respectively.

Steve Horan, CFA, CIPM		John Bowman, CFA		Elaine Cheng		Sheri Littlefield		Darin Goodwiler	Michael Collins	Ray DeAngelo	Nick Pollard
2015	2016	2014	2016	2015	2016	2015	2016	2016	2016	2016	2016
					\$1,000	\$60,000			\$50,000	\$86,201	
	\$1,530		\$1,054		\$1,116		\$1,476	\$1,697	\$1,459	\$5,575	
	\$1,830		\$1,678		\$1,708		\$1,769	\$1,210	\$1,068	\$779	
										\$23,055	
								\$3,773			
\$5,755			\$4,529	\$11,762	\$187						
			\$7,680		\$300						
\$11,195	\$1,457			\$31,584				\$3,757		\$1,219	
	\$435						\$300	\$114			
								\$35,000			
		\$479,808	\$30,285								
\$318	\$306		\$562	\$488	\$571		\$296	\$339	\$125	\$308	
											\$12,007
	\$88,387		\$84,937		\$85,431		\$56,702	\$40,683	\$27,249		
\$17,268	\$93,945	\$479,808	\$130,724	\$43,834	\$90,313	\$60,000	\$60,543	\$86,573	\$79,901	\$117,136	\$12,007

Performance Highlights for Fiscal Year 2016 and Strategic Vision for the Future

Our mission remains unchanged. In consultation with the Board of Governors, member societies, advisors and staff, we developed a three-year strategic plan that cites how CFA Institute will execute on our mission in the communities we serve. Our strategy is simple. We will focus on three strategic actions: developing future professionals, delivering member value, and building market integrity.

To build a high-performing organization that can deliver on the strategy, we have organized ourselves into three strategic functions: Credentialing, Member Value, and Standards and Advocacy. Each function has developed performance priorities and detailed business plans centered on generating impact in the marketplace. We have developed three-year strategic goals for the organization as a whole, and for each strategic function. We have assigned specific metrics against each goal so that we can measure our progress over this period.

The three-year strategic plan for the Credentialing function includes tactics and metrics required for positioning the organization's portfolio of credentialing programs (the CFA Program, CIPM Program, and Investment Foundations Program) for 100% penetration of the core investment management industry. To help the team accomplish this objective, separate business plans have been developed for each program. Our intent is to actively improve the quality and relevance of these programs in the face of rapidly changing environments in both the investment management and credentialing industries. The Board has been actively involved in the development of our Credentialing strategy and business plans. In fiscal year 2016, we succeeded in achieving the budgeted credentialing program targets and exceeded the registration target by almost 3.4%. However, we fell short of the targets we had set for the Investment Foundations and CIPM Programs.

In the three-year strategic plan for Member Value, the team has set priorities designed to establish a member value proposition that provides support for members' career development, engagement and affiliation, promotion of the CFA Institute brand and CFA charter, and continuing education opportunities. In fiscal year 2016, per the Annual Member Survey results, scores on member value areas, such as career development and continuing education, were favorable and exceeded our targets. Member affiliation saw improvements with a member value rating of 7.8 out of 10. We exceeded our membership target of 140,700 individuals. However, member retention rates and society member retention rates fell short of our targets, largely due to relatively low retention rates in APAC. To combat this, we reduced CFA Institute dues on a pilot basis in seven developing markets. The success of this effort has led us to extend this campaign in fiscal year 2017. The *Financial Analysts Journal* (FAJ) received a branding refresh, publication of *CFA Magazine* was moved to a quarterly cycle, and we improved syndication of our Enterprising Investor blog. We have had breakthroughs in the key markets of India and China, where the CFA charter has received partial official recognition from licensing authorities – a significant value for CFA Institute members.

The Standards and Advocacy function's three-year strategic plan also lays out a measurable framework designed to advance policy initiatives and the ethics voice of CFA Institute. An increased focus has been placed on content production geared towards the investment management industry. A new structure for the function has been established, and we have successfully completed thought leadership research projects with both a regional and global focus. In fiscal year 2016, we worked to promote the Global Investment Performance Standards (GIPS®) and Asset Management Code (AMC). AMC adoptions rose by 14% during the year. We also launched an online ethics training product. In fiscal year 2016, we advanced the CFA Institute brand and the cause for ethical markets through successful regulatory and legislative outreach and engagement with media and other stakeholder organizations.

We increased spending in fiscal year 2016 to support three priority objectives: global brand awareness, society partnership, and a digital core transformation (DCT).

Based on member feedback, we kicked off the Global Brand Campaign in fiscal year 2016, executing two campaign waves and establishing three-year targets for the initiative. Our objective to invest in this significant brand awareness campaign with global, regional, and local execution, is to build greater awareness and understanding of the CFA Institute brand. There has been measurable improvement in unaided brand awareness in fiscal year 2016 as a result of the campaign. Ninety five percent of our member societies activated the brand campaign locally.

At the beginning of fiscal year 2016, we embarked on a three-year IT project called the digital core transformation (DCT), to transform and modernize our technology infrastructure, allowing us to simplify internal processes and improve the experience of our customers. We have successfully executed the desired first-year program goals. Additionally, we have initiated an independent cyber security assessment of our current information security program.

Society funding was significantly increased in fiscal year 2016. We made changes to the way we evaluate operational and project funding by linking grants to candidate and member growth and reviewing proposals based on alignment with the organization's objectives and potential for measurable impact.

We strengthened our focus on stabilizing the new organizing framework and establishing regional development plans. A key step was to move the newly formalized Americas region, along with the EMEA and APAC regions, under the new Managing Director of Relationship Management, thereby reinforcing the importance of stakeholder relationships throughout the world. We are making a conscious shift to increase our direction and accountability to include a regional perspective while recognizing the need for global functional consistency.

To achieve the strategic agenda, we enhanced our Leadership Team significantly with the recruitment of the Chief Compliance, Risk, and Ethics Officer and managing directors for APAC, EMEA, Relationship Management, and Services Delivery. We also developed formal succession plans for the CEO and are in the process of evaluating the talent pipeline for other key leadership positions.

Employee engagement has been identified as a necessary strategy for our success. To drive employee performance, accomplishment, and continuous improvement, we are establishing a more open and transparent corporate culture. We conducted an employee engagement survey in fiscal year 2016 that was run by an independent consultant to understand where we stand, and we have used the survey results to set clear actionable plans focusing on areas for improvement. We have also put in place project management and design thinking teams to reimagine our operating environment. Initiatives attempting to change culture and behaviors within the organization are underway to help drive accountability at every level of the organization and to increase receptivity and understanding of change while fostering an open, two-way, and transparent communication style.

We made considerable progress improving our compliance, risk management, and governance framework for the organization. A team has been formed to focus on establishing and maintaining an ethics and compliance program in accordance with the US Federal Sentencing Guidelines. This team is responsible for identifying global risks, facilitating the implementation of applicable counter measures, enhancing our sustainability and community outreach platform, and building a strong business continuity capability.

We have significantly improved our board governance to include an enhanced annual report and proxy statement and considerable work has been accomplished around Board committee structure, delegation of authority, and other governance matters. One primary governance initiative undertaken was the adoption of many practices used by US public companies and best-in-class US not-for-profit organizations.

Our three-year strategic goals and priorities are:

Fiscal Year 2017–2019 Strategic Goals	Fiscal Year 2017 Priority Objectives
<i>Grow Global Relevance and Extend Local Reach</i>	<ul style="list-style-type: none"> • Increase CFA Institute core member market penetration (<i>refers to practitioners employed in functional roles that meet the experiential requirements of the CFA charter</i>) • Increase testing service accessibility across markets and regions
<i>Deliver Member Value</i>	<ul style="list-style-type: none"> • Increase membership Net Promoter Score (NPS) (<i>a standardized measure of customer loyalty measured via the annual member survey</i>) • Increase society NPS
<i>Advance Professionalism and Professional Recognition</i>	<ul style="list-style-type: none"> • Increase unaided brand awareness (<i>a form of market research where customers can express knowledge of brand without prompting</i>) • Increase number of global asset management firms that pay member dues on behalf of their employees
<i>Build Market Integrity to Benefit Society</i>	<ul style="list-style-type: none"> • Increase member satisfaction with advocacy impact (<i>measured via annual member survey</i>) • Increase Asset Manager Code adoptions among the top 100 global asset management firms
<i>Enhance Operational Excellence</i>	<ul style="list-style-type: none"> • Increase overall operational effectiveness • Implement colleague engagement plans (<i>refers to action plans developed following the 2016 staff engagement survey</i>)

DIVERSITY AND CITIZENSHIP

Diversity

Two years ago, CFA Institute began to look more closely at the composition of its membership and the diversity of our staff. We found a surprising number: Women represent less than one in five CFA charterholders.

Although the most enduring principle of sound investment management is diversification, gender diversity is remarkably absent from team construction across all spectrums of the investment profession.

Firm culture, as a competitive edge, is a growing area of interest in the investment industry, and the subject is of increasing concern to regulators of financial firms. Senior leaders across the industry who are adept at solving difficult problems have told us they cannot seem to make progress in attracting and retaining women investment professionals.

Research shows that diversity in teams working to solve complex problems positively impacts business outcomes, especially when innovation and creativity are required. CFA Institute is taking actions to raise awareness of this and drive change.

Our external facing [Women in Investment Management](#) initiative aims to improve investor outcomes by encouraging diversity in the investment management profession. Our goals are to:

- increase the number of women who join the profession and earn the CFA charter;
- retain women in the profession and influence culture from within; and
- create demand for diversity as an industry imperative.

We've completed the largest ever survey of investment management professionals on the subject of gender diversity: [Gender Diversity in Investment Management](#). Last September, we hosted our second Alpha and Gender Diversity Conference, which attracted more than 200 women in the industry. Our member societies around the world are very interested in this initiative and have begun local efforts. In tandem with our member societies, we are pursuing university outreach to let women know of investing as a career, making potential entrants to the field aware of successful women role models in the industry and debunking some industry myths.

In February 2017, we launched our own Internal Diversity and Inclusion initiative for employees. We undertake this work in alignment with, and as a reflection of, the values we promulgate to the global investment community through our external initiative. We believe that we must practice what we preach.

Our initial efforts will focus on gender diversity education and awareness and evolve to other dimensions of diversity. As a global organization spanning many cultures and environments, we believe that practicing mutual respect for the qualities and experiences that are different from our own creates a better work environment, leading to trust and a fuller expression of each person's talents.

OCCUPATION

(% of CFA Institute members who are women vs. men)





FY2016 YEAR-END PERFORMANCE HIGHLIGHTS BY GENDER



41%

% RECEIVING HIGH
PERFORMANCE RATING

29%

11%

AVERAGE
INCENTIVE %

11%

3%

AVERAGE MERIT
INCREASE %

3%

66%

REPRESENTATION
IN YEAR-END
PROMOTION CYCLE

34%

14%

AVERAGE
PROMOTION
INCREASE

11%

CFA Institute is committed to providing equal pay for equal work to ensure that no gender-based pay differentials exist within our ranks. To demonstrate this commitment, in 2016, we undertook a comprehensive equal pay audit of our global workforce to identify and eradicate any gender-based discrepancies. It is our intention to conduct this audit every three years to enhance our diversity efforts. We are proud to share that the results reflect that CFA Institute is in full compliance with the law and that the pay rates reviewed correlate solely with neutral business-related factors, such as job performance and time in position. We look forward to future audits that help us ensure equal pay for equal work.

We make a conscious effort to analyze any unintentional bias in our behavior towards recognizing contribution to the organization. At the end of 2016, we looked at the performance distribution by gender as well as how incentives were awarded.

We consider our diversity and inclusion work a journey, and we invite you to join us.

Corporate Citizenship

Our work at CFA Institute is for “the ultimate benefit of society” as our mission clearly states. We realize our actions affect the larger ecosystem, and we must therefore operate responsibly as a force for good not only within the investment profession and our industry, but also in the communities in which we live and operate our business.

We formally began our sustainability work in 2012 when we took initial steps to assess environmental impact. In December 2015, we established our Corporate Citizenship team. The team’s goals include prioritizing environment, community, and social responsibility. In the first year, several programs were established or improved to create a path towards best-in-class status.

Our sustainability efforts are centered around our LEED-gold certified facility, our base of operations in Charlottesville, Virginia. In fiscal year 2016, the solar panels on the roof of the facility generated more than 73,000 kilowatt hours of solar power – the equivalent of a 51.4 metric ton reduction in carbon dioxide. We achieved post-use recycling of 423 cubic yards (the equivalent of 53 dumpster-loads of waste diverted from the landfill) and composted 164 cubic yards of waste (the equivalent of 20 dumpster-loads diverted).

We continue to leverage one of our most valuable resources: our employees. We conducted two volunteer fairs, bringing together local not-for-profits and our employees. In January 2016, we announced a new Volunteer Time Off benefit, which allows each employee to spend a full, paid work day volunteering in the community. This benefit promotes greater employee engagement and builds stronger ties within the local communities that sustain our offices around the world. In the first year, employees spent more than 1,200 hours volunteering with not-for-profits and civic organizations to help build homes, clean up schools and parks, read to children, and acknowledge our military veterans. CFA Institute recognized and rewarded this commitment to corporate citizenship by increasing this benefit to two full work days in 2017.

We enhanced our presence in Charlottesville, home of our largest employee base, when we launched a Strategic Community Partnership initiative with the [Center for Nonprofit Excellence](#) (CNE), a leading not-for-profit consortium with a membership base of more than 300 local organizations. In fiscal year 2016, we reached 250 local community leaders by supporting the Center for Nonprofit Excellence's annual luncheon. Earlier in the year, we facilitated TEDx Charlottesville where our staff applied their skills to an event that inspired 1,000 community members to consider their individual impact on society. These high-profile events garnered press recognition and renewed interest from the local community in the mission and work of CFA Institute. In fiscal year 2017, we will support local non-profits to be more effective investors through our continued Strategic Community Partnership with the CNE.

We conducted a comprehensive internal benchmarking exercise that revealed several opportunities for process, policy, and procedure improvements to corporate citizenship efforts with relatively minimal financial investment. In fiscal year 2017, we plan to complete an external benchmarking exercise to help us set a strategy-driven, resource-efficient path for our work. With the results of the external benchmarking exercise, we will be able to explore the possibility of a materiality assessment to ensure maximal alignment between corporate citizenship priorities, business needs, and our mission.

Environment

- 5,176 pounds of electronics recycled
- 423 cubic yards of post use recycling = 53 dumpsters not in landfill
- 73,162 kWh solar power generated = 51.4 metric tons of CO2 avoided

Volunteering

- 1,200 hours of service through volunteer time off
- 11 years of volunteerism to United Way Day of Caring: 83 participants in 2016
- 120 employees attended volunteer fair

Strategic Community Partnerships

- 1,000+ community members reached at TEDx Charlottesville
- 250+ local leaders reached at annual CNE event

Donations

- 1,374 toiletries to the homeless
- 1,300 meals to the hungry

INFORMATION ABOUT THE MEETING AND VOTING

Recommendations

The CFA Institute Board of Governors recommends that each Regular Member vote FOR (i) the approval of the amendments to the CFA Institute Articles of Incorporation and Bylaws, (ii) the ratification of an independent registered public accounting firm, (iii) the election of the nominees for Chair and Vice Chair, and (iv) the election of the three nominees to serve as members of the Board of Governors.

Quorum

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

Voting

Each Regular Member will be entitled to one vote with respect to each matter considered at the meeting. The amendment to the Articles of Incorporation require an affirmative two-thirds of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present. Amendments to the Bylaws and ratification of an independent registered public accounting firm requires an affirmative vote of a majority of such members. The election of the Chair and Vice Chair, and three Governors 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 2016, including consolidated financial statements, is available on our website and proxy site.

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 our website.

Appendix A: Amended CFA Institute Articles of Incorporation and Bylaws

The CFA Institute Articles of Incorporation and Bylaws as amended per the proposed changes.

Accessing the Annual Meeting of Members Remotely

The Annual Meeting of Members will be held at CFA Institute in Charlottesville, Virginia, 22902, USA, on Tuesday, 27 June 2017 at 10:00 a.m. Eastern Daylight Time.

Please use this link to join the meeting remotely: <https://edge.media-server.com/m6/p/dgqdjrsu>. You'll be directed to the event's registration page where you will need to supply your name, email, and CFA Institute ID Number to enter the meeting. If you cannot remember your CFA Institute ID Number, please contact CFA Institute Customer Service for assistance by email 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](#).

We advise you to complete the following steps to help facilitate a smooth meeting experience:

- Log in to the event at least 15 minutes before to allow time for troubleshooting;
- Make sure your computer's audio speakers are on and/or turned up (note: using headphones may improve the quality of the audio);
- Disable pop-up blockers; and
- Ensure your internet browser is updated to the most recent version.

If you prefer to join the meeting by phone, please use the following details to connect:

- Participant Toll-Free Dial-In Number (844) 376-0266
- Participant International Dial-In Number +1 (209) 905-5956
- Conference ID 17277246

Provided below for reference are local country times and dial-in numbers.

Country	Toll-Free #	Local #	Local Time
Argentina	8006660273		11:00 a.m.
Australia	1800005989	282239773 (Sydney)	12:00 a.m. (28 June)
Austria	0800281475	0316918058 (Graz) 0732915065 (Linz) 019281030 (Vienna)	4:00 p.m.
Bahamas	18775232207		10:00 a.m.
Barbados	18668943189		10:00 a.m.
Belarus	882000110186		5:00 p.m.
Belgium	080073264	034000330 (Antwerp) 024003547 (Brussels)	4:00 p.m.
Bolivia	800100835		10:00 a.m.
Brazil	08008916189		11:00 a.m.
Bulgaria	008001100180		5:00 p.m.
Chile	12300206168		10:00 a.m.
China	4006828609 8008700169		10:00 p.m.
Colombia	018009130176		9:00 a.m.
Costa Rica	08000111329 08000122012		8:00 a.m.
Croatia (Hrvatska)	0800222609		4:00 p.m.
Cyprus	80097195		5:00 p.m.
Czech Republic	800144187	239014964 (Prague)	4:00 p.m.
Denmark	80884284	032714390 (Copenhagen)	4:00 p.m.
Dominican Republic	18887512305		10:00 a.m.
Egypt	08000000263		4:00 p.m.
El Salvador	8006392		8:00 a.m.

Country	Toll-Free #	Local #	Local Time
Estonia	8000100566		5:00 p.m.
Finland	0800111089	0972519297 (Helsinki)	5:00 p.m.
France	0800909322	0426030033 (Lyon) 0170807153 (Paris) 0567804135 (Toulouse)	4:00 p.m.
Germany	08001815287	030726167368 (Berlin) 06922224703 (Frankfurt) 040809020709 (Hamburg) 089244432908 (Munich)	4:00 p.m.
Greece	00800129752		5:00 p.m.
Hong Kong	800966253	30114522 (Hong Kong)	10:00 p.m.
Hungary	0680017646	017779854 (Budapest)	4:00 p.m.
Iceland	8008057		2:00 p.m.
India	180030705400	2230985770 (Mumbai)	7:30 p.m.
Indonesia	00180310032310		9:00 p.m.
Ireland	1800552552	012475604 (Dublin)	3:00 p.m.
Israel	1809315362	0645217077 (Rome)	5:00 p.m.
Italy	800786829	0236019660 (Milan)	4:00 p.m.
Jamaica	18002050326		9:00 a.m.
Japan	006633830624	357674011 (Tokyo)	11:00 p.m.
Korea (South)	00308123627	0234837059 (Seoul)	11:00 p.m.
Latvia	80002173		5:00 p.m.
Lithuania	880090072		5:00 p.m.
Luxembourg	80024807	24871238 (Luxembourg)	4:00 p.m.
Macau	0800406		10:00 p.m.
Malaysia	1800803537		10:00 p.m.
Mexico	018009269157		9:00 a.m.
Monaco	80093201		4:00 p.m.
Netherlands	08000232838	0207075535 (Amsterdam)	4:00 p.m.
New Zealand	0800445971		2:00 a.m. (28 June)
Norway	80016162	22310524 (Oslo)	4:00 p.m.
Oman	80074216		6:00 p.m.
Panama	0018005073510		9:00 a.m.
Peru	080052957		9:00 a.m.
Philippines	180011101229		10:00 p.m.
Poland	008001215705		4:00 p.m.
Portugal	800815187	01211201009 (Lisbon)	3:00 p.m.
Romania	0800895760		5:00 p.m.
Russia	81080025581012		5:00 p.m.
Saint Kitts & Nevis	18007449302		10:00 a.m.
Singapore	8001011512	66221010 (Singapore)	10:00 p.m.
Slovakia	0800002398		4:00 p.m.
South Africa	0800994050		4:00 p.m.
Spain	900971520	0934923253 (Barcelona)	4:00 p.m.
Sweden	020798505	0856619361 (Stockholm)	4:00 p.m.
Switzerland	0800891753	0225803283 (Geneva)	4:00 p.m.

Country	Toll-Free #	Local #	Local Time
Taiwan	00801148720		10:00 p.m.
Thailand	001800132017883		9:00 p.m.
Trinidad & Tobago	18002021609		10:00 a.m.
Ukraine	0800504937		5:00 p.m.
United Arab Emirates	8000181316		6:00 p.m.
United Kingdom	08000288438	02031070289 (London)	3:00 p.m.
Uruguay	0004135984948		11:00 a.m.
Venezuela	08001002762		10:00 a.m.
Vietnam	18004936		9:00 p.m.

Appendix A: Amended Version of the Articles of Incorporation and Bylaws

CFA Institute
(A Virginia Nonstock Corporation)
ARTICLES OF INCORPORATION
Amended _____

ARTICLE 1 – NAME

The name of the corporation is “CFA Institute.”

ARTICLE 2 – PURPOSES

The purposes of CFA Institute are:

- (a) to establish educational standards in the professional practices of financial analysis, investment management, securities analysis, and other similar professions (collectively, the “Investment Decision-Making Process”);
- (b) to instruct and train Individual Members and Member Societies (as each such term is defined in the Bylaws) and the general public in the sound and trustworthy principles, practices, and conduct with regard to the Investment Decision-Making Process;
- (c) to develop and administer examinations designed to test individual competence and skill in the professional fields of knowledge pertinent to the Investment Decision-Making Process, including granting the right to use the Chartered Financial Analyst® (CFA®) designation;
- (d) to carry on, sponsor, aid and encourage research, education, and information activities to further the purposes set forth in this Article 2;
- (e) to guide, encourage, and aid the continuing education of individuals professionally engaged in the Investment Decision-Making Process, and to this end, to promote, encourage, and carry on research and the preparation, publication, and dissemination of educational materials and to conduct programs in the fields of knowledge pertinent to the professional application of the Investment Decision Making Process;
- (f) to develop, establish, promulgate, and maintain the CFA Institute Code of Ethics and Standards of Professional Conduct for individuals professionally engaged in the Investment Decision-Making Process, and to enforce such standards for members;
- (g) to provide Individual Members and Member Societies with opportunities for exchanging ideas and information regarding the Investment Decision-Making Process;
- (h) to promote good relations between the general public and professionals engaged in the Investment Decision-Making Process; and
- (i) to promote the welfare of members and others engaged professionally in the Investment Decision-Making Process.

ARTICLE 3 – POWERS

CFA Institute is organized as a not-for-profit corporation pursuant to the Virginia nonstock Corporation Act (“Act”) and shall not issue shares of stock, shall not pay dividends, and no part of the assets or net earnings of CFA Institute shall inure to the private benefit of any director (known as a Governor as defined in Article 5 below), officer, or other individual. Notwithstanding the foregoing, CFA Institute may pay compensation in a reasonable amount to its officers, agents, or employees for services rendered.

CFA Institute shall not make any distribution upon dissolution or final liquidation except as provided herein. CFA Institute is organized and shall be operated as an organization described in Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law (the “Code”), and it may engage only in activities that may be carried on by a corporation exempt from federal income taxation under said section.

ARTICLE 4 – MEMBERS

CFA Institute shall have one (1) or more classes of members as designated in its Bylaws. The Bylaws shall also state the qualifications and rights of the members of each class and shall confer, limit, or deny the right to vote.

No materially adverse change shall be made to the rights and privileges of any class of Individual Members, voting or nonvoting, including but not limited to: (a) voting rights except as required by law, (b) diminution of membership rights and privileges except those that apply to all classes of Individual Members in an equitable manner, or (c) additional or different requirements to attain or maintain membership in a class of Individual Members without the affirmative vote of more than two-thirds (2/3) of the votes of the members of the class of Individual Members so affected (whether otherwise voting or nonvoting members) cast at a meeting of members at which a quorum of members entitled to vote is present.

ARTICLE 5 – BOARD OF GOVERNORS

All corporate powers shall be exercised by or under the authority of, and the business of CFA Institute managed under the direction of, its board of directors, subject to any limitation contained herein.

The board of directors shall be known as the Board of Governors (the “Board”) and the directors shall be known as Governors. The number of Governors shall be fixed in accordance with the Bylaws, but shall not be less than ten (10) nor more than fifteen (15) Governors, including *ex officio* Governors.

The President shall serve as an *ex officio* member of the Board for a term concurrent with his or her respective term in office. Except as set forth in the last sentence of this Article 5, other Governors shall each serve for a term of three (3) years, staggered so that, as nearly as possible, the terms of one-third (1/3) of such Governors shall expire at the end of the CFA Institute fiscal year. Each Governor shall serve until the election and qualification of his or her successor. In the event that any Past Chair, Chair or Vice Chair is either (i) not an elected Governor immediately prior to serving in such office or (ii) an elected Governor whose term on the Board has or would otherwise expire prior to or during his or her term in such office, the Past Chair, Chair or Vice Chair shall serve as an *ex officio* member of the Board for a term concurrent with his or her term in office.

ARTICLE 6 – DISSOLUTION

In the event of dissolution of CFA Institute, the assets of CFA Institute shall be applied and distributed in the following order:

- (a) all liabilities and obligations of CFA Institute shall be paid, satisfied, and discharged or adequate provision shall be made therefore;
- (b) assets held by CFA Institute upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements;
- (c) assets received and held by CFA Institute subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes, but not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or conveyed to one (1) or more domestic or foreign corporations, societies, or organizations engaged in activities substantially similar to those of CFA Institute, pursuant to a plan of distribution adopted as provided by law or as a court may direct; and
- (d) all of the remaining assets of CFA Institute shall be distributed to one (1) or more organizations serving the general interests of professions involving the Investment Decision-Making Process, as may be selected by the Board, but no distribution upon dissolution shall be made to any organization that is not exempt from federal income taxation under either Section 501(c)(3) or Section 501(c)(6) of the Code, or successor provisions of any future applicable tax code.

ARTICLE 7 – LIMIT ON LIABILITY AND INDEMNIFICATION

To the fullest extent permitted by law, a Governor or officer of CFA Institute shall not be liable for monetary damages.

To the fullest extent permitted by law, CFA Institute shall indemnify and advance reasonable expenses to, any individual who was, is, or is threatened to be made a party in any proceeding because he or she is or was a Governor, officer, employee, or agent (including committee members and other volunteers) of CFA Institute, or is or was serving at the request of CFA Institute as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise.



CFA Institute
(A Virginia Nonstock Corporation)
BYLAWS
Amended _____

ARTICLE 1 – NAME, LOCATION, AND CORPORATE SEAL

- 1.1 Name.** The name of the corporation is “CFA Institute.”
- 1.2 Location.** The principal office of CFA Institute shall be located at such place as the Board of Governors (the “Board”) may determine.
- 1.3 Corporate Seal.** The corporate seal shall consist of a circular die bearing the CFA Institute name and year of incorporation. The form of the seal may be changed by the Board.

ARTICLE 2 – DEFINITIONS

For purposes of the Articles of Incorporation and Bylaws, the following are defined terms which may be used, as appropriate, in singular or plural form:

- 2.1 “Acceptable Professional Work Experience”** shall be defined by the Board and shall include those activities related to the professional practices of financial analysis, investment management, securities analysis or other similar activities.
- 2.2 “Articles”** refers to the Articles of Incorporation of CFA Institute as they may be amended.
- 2.3 “Board”** is the Board of Governors of CFA Institute.
- 2.4 “Bylaws”** refers to these Bylaws of CFA Institute as they may be amended.
- 2.5 “Candidate”** is an individual:
- (a) whose application for registration in the CFA Program has been accepted by CFA Institute, as evidenced by the issuance of a notice of acceptance, and who is enrolled to sit for a specified examination level (“Exam”) in the CFA Program; and
 - (b) who has not:
 - (i) received Exam results;
 - (ii) voluntarily removed himself or herself from the CFA Program;
 - (iii) failed to sit for an Exam; or
 - (iv) otherwise been removed from the CFA Program.
- 2.6 “CFA Program”** is the Chartered Financial Analyst® (CFA®) study and examination program developed and administered by CFA Institute.
- 2.7 “Chair”** is the presiding officer of the Board as more particularly described in Section 6.2 of the Bylaws.
- 2.8 “Code and Standards”** is the CFA Institute Code of Ethics and Standards of Professional Conduct, as they may be amended.
- 2.9 “Covered Person”** is any individual who is: a CFA Institute Charterholder, a Regular or Affiliate Member, a Candidate, a Postponed Candidate, an individual that has passed the Level III CFA exam but not been awarded the CFA charter and who misuses the CFA designation, or an individual that has allowed membership to lapse or has had membership suspended through the disciplinary process and who misuses the CFA designation.
- 2.10 “Governor”** is an individual serving on the Board in accordance with the Articles and Article 5 of the Bylaws.
- 2.11 “Individual Member”** refers to Regular Members, Affiliate Members, and Charterholder Members.
- 2.12 “Investment Decision-Making Process”** is the professional practice of financial analysis, investment management, securities analysis, or other similar professions.
- 2.13 “Member’s Agreement”** is a document prepared by CFA Institute setting forth member obligations and responsibilities that must be signed by every Individual Member.
- 2.14 “Past Chair”** is the individual who served as the Chair immediately prior to the current Chair’s term.
- 2.15 “Postponed Candidate”** is an individual who has registered for the CFA Program, but is not a Candidate as defined in the Bylaws.
- 2.16 “Professional Conduct Statement”** is a form prepared by CFA Institute that must be signed annually and submitted by all Individual Members and Candidates.

- 2.17** “**Rules of Procedure**” are the Rules of Procedure for Professional Conduct as amended, which govern the procedures to which both CFA Institute and Covered Persons must adhere.

ARTICLE 3 – MEMBERS AND CANDIDATES

- 3.1** **Classes of Members.** The classes of membership in CFA Institute are Regular Members, Affiliate Members, Charterholder Members, and Member Societies.
- 3.2** **Regular Members.** Each applicant seeking to become a Regular Member of CFA Institute or of any Member Society shall:
- (a) hold a bachelor’s degree from an accredited academic institution or have equivalent education or work experience as determined by CFA Institute;
 - (b) have attained one (1) or more of the following:
 - (i) four (4) years of Acceptable Professional Work Experience and passage of Level I of the CFA Program, or such other appropriate examination approved by the Board;
 - (ii) four (4) years of Acceptable Professional Work Experience and passage of a standards of professional conduct examination approved by the Board; or
 - (iii) be a Charterholder Member;
 - (c) sign and submit to CFA Institute a Member’s Agreement and a Professional Conduct Statement; and
 - (d) complete any additional application procedures or requirements established by CFA Institute.
- 3.3** **Affiliate Members.**
- (a) Each applicant seeking to become an Affiliate Member of CFA Institute shall:
 - (i) be an affiliate member of at least one (1) Member Society;
 - (ii) sign and submit to CFA Institute a Member’s Agreement and a Professional Conduct Statement; and
 - (iii) complete any additional application procedures or requirements established by CFA Institute and, when applicable, the appropriate Member Society.
 - (b) For purposes of Section 3.3(a)(i), in the event that a Member Society ceases to exist by reason of dissolution or otherwise, such Member Society may designate CFA Institute to serve in the capacity of a Member Society in order that the affiliate members of such Member Society can maintain their status as Affiliate Members.
- 3.4** **Charterholder Members.**
- (a) Each applicant seeking to become a Charterholder Member of CFA Institute shall:
 - (i) be an individual who has satisfied (1) the requirements to become a Regular Member and (2) the requirements of the CFA Program as established by CFA Institute and achieved the minimum passing score; and
 - (ii) complete and submit any additional application procedures or requirements established by CFA Institute.
 - (b) Upon satisfaction of the requirements in Section 3.4(a) and acceptance by CFA Institute, an applicant shall become a Charterholder Member and be granted the right to use the Chartered Financial Analyst® (CFA®) designation.
- 3.5** **Responsibilities of Covered Persons.**
- (a) Each Covered Person shall:
 - (i) adhere to all applicable rules and regulations, including the Articles and Bylaws, the Code and Standards, and other rules relating to professional conduct and membership, all of which may be amended;
 - (ii) be subject to the disciplinary jurisdiction and sanctions of CFA Institute;
 - (iii) submit information requested relating to professional conduct and activities;
 - (iv) produce documents, testify, and otherwise cooperate in disciplinary proceedings of CFA Institute including adhering to the Rules of Procedure; and
 - (v) adhere to such other requirements as set forth by CFA Institute.
 - (b) In addition to the responsibilities set forth above, Individual Members must also:
 - (i) annually file a Professional Conduct Statement; and
 - (ii) annually pay membership dues.
- 3.6** **Voting Rights.** Regular Members have voting rights in CFA Institute and each shall be entitled to one (1) vote on each matter submitted to the Regular Members. Affiliate Members, Charterholder Members, and Member Societies do not have voting rights in CFA Institute. Candidates and Postponed Candidates are not members of CFA Institute unless otherwise associated with CFA Institute as Regular Members or Affiliate Members.

- 3.7 Resignation.** Any Individual Member may resign from CFA Institute or a Member Society by submitting notice to CFA Institute. CFA Institute shall notify each applicable Member Society of the resignation.
- 3.8 Suspension or Revocation of Membership.**
- (a) Individual Members.
 - (i) An Individual Member's membership in CFA Institute and in any Member Society may be suspended or revoked at any time by CFA Institute for any violation of Section 3.5.
 - (ii) An Individual Member whose membership is revoked or suspended shall not be entitled to any rights or privileges of membership, including, when applicable, the right to use the Chartered Financial Analyst® (CFA®) designation and the right to vote.
 - (b) Candidates and Postponed Candidates. Any Candidate or Postponed Candidate may be suspended or removed from the CFA Program for any violation of Section 3.5(a).
- 3.9 Membership List and Member Records.** CFA Institute shall keep a list of the names, business addresses, business affiliations, membership classifications, and other information relating to all CFA Institute members.
- 3.10 Member Societies.**
- (a) Requirements for Membership. To organize or admit a Member Society of CFA Institute an application and other requested information must be submitted to CFA Institute and approved by the Board.
 - (b) Adoption of the Code and Standards.
 - (i) Each Member Society shall adopt the Code and Standards and shall provide in its bylaws that its regular members and affiliate members shall be subject to and comply with the Code and Standards.
 - (ii) The bylaws of each Member Society shall provide that all authority and responsibility for enforcement of the Code and Standards with respect to regular members and affiliate members of the Member Society are delegated to CFA Institute.
 - (c) Membership in a Member Society.
 - (i) The bylaws of each Member Society shall provide that it may not admit or retain an individual as a regular member who is not a Regular Member of CFA Institute.
 - (ii) The bylaws of each Member Society shall provide that all affiliate members of a Member Society shall become Affiliate Members of CFA Institute.
 - (iii) Any individual whose membership as a Regular Member or Affiliate Member has been revoked or suspended by CFA Institute may not retain membership in a Member Society while such revocation or suspension is in effect.
 - (iv) Except for a uniform sponsorship requirement set forth by CFA Institute, a Member Society shall not impose any requirements on its regular members other than those listed in Section 3.2 of these Bylaws or as required by the Member Society's local laws.
 - (v) Each Member Society shall have the right to review all applications for regular membership in the society, as applicable.
 - (vi) The Board, or a committee designated by the Board, shall have the authority to make final determinations on the application of membership provisions listed in Section 3.2 of the Bylaws.
 - (d) Member Society Local Law Exception. If a Member Society's local laws prohibit its bylaws from complying with the requirements of Section 3.10(b) and (c) of these Bylaws, the Member Society shall enter into a legally binding agreement with CFA Institute to satisfy the requirements of this Section.
- 3.11 Termination of Membership.** The membership of any Member Society in CFA Institute may be terminated or suspended by a vote of two-thirds (2/3) of the Governors then serving.

ARTICLE 4 – MEETINGS OF THE MEMBERS

4.1 Meetings.

- (a) All meetings of the members shall be held at suitable times and places within or without the Commonwealth of Virginia, as determined by the Board.
- (b) There shall be an annual meeting of the members.
- (c) Special meetings of the members shall be called:
 - (i) by the Board or the Chair; or
 - (ii) by the Secretary, upon receipt of a written petition signed by at least two percent (2%) of the Regular Members.
- (d) Only business within the purpose or purposes described in the meeting notice shall be conducted at a special meeting.

4.2 Notice.

- (a) Written notice of meetings shall:
 - (i) state the date, time, and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called; and
 - (ii) be delivered, mailed, expressed, or sent by facsimile, electronic mail, or other reliable printed or printable communication to each Regular Member to the address, as it appears on the CFA Institute membership records, not less than ten (10) nor more than sixty (60) days before the meeting date unless a different notice period is required by law.
- (b) Notice of any meeting may be waived in writing signed by the member entitled to notice before or after the date of the meeting. A Regular Member who attends a meeting in person or by proxy:
 - (i) waives objection to lack of notice or defective notice of the meeting unless the Regular Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and
 - (ii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice that unless Regular Member objects to considering the matter when it is presented.

4.3 Quorum. At any meeting of the members, ten percent (10%) of all Regular Members represented in person or by proxy at such meeting shall constitute a quorum for the transaction of business. If less than a quorum is present in person or by proxy, the Chair may adjourn the meeting to a fixed time and place determined by the Chair or Secretary.

4.4 Voting.

- (a) Each Regular Member shall be entitled to one (1) vote.
- (b) A majority of the votes cast in person or by proxy, in hard or, when permitted by law, electronic form, at a meeting at which a quorum is present shall be required for adoption of any matter voted upon, except as otherwise required by the Bylaws, the Articles, or applicable law.

ARTICLE 5 – BOARD OF GOVERNORS

5.1 Authority and Responsibility. All corporate powers shall be exercised by or under the authority of, and the business of CFA Institute managed under the direction of, the Board subject to the Bylaws, the Articles, and applicable law.

5.2 Composition and Qualification.

- (a) The number of Governors (including *ex officio* Governors as defined in the Articles) shall be not less than ten (10) nor more than fifteen (15) and shall be determined by the Board. The President, Chair, Vice Chair, and Past Chair shall serve as *ex officio* Governors in accordance with the Articles.
- (b) The Board may have up to two (2) Governors who are not Regular Members. All other Governors shall be Regular Members.

5.3 Terms and Elections.

- (a) Governors, excluding those serving in an *ex officio* capacity, shall be elected by the Regular Members at the annual meeting of members for a term of three (3) years, staggered so that, as nearly as possible, the terms of one-third (1/3) of such Governors shall expire at the end of CFA Institute fiscal year end and until the election and qualification of their successors.
- (b) When the number of nominees for Governor exceeds the number of individuals to be elected, the nominees receiving the highest number of votes shall be elected.

5.4 Vacancies. A Governor's vacancy for any reason may be filled by the Board by the appointment of a successor for the unexpired term of the Governor whose place is vacant.

5.5 Meetings.

- (a) Meetings of the Board shall be called by:
 - (i) the Board;
 - (ii) the Chair; or
 - (iii) the Secretary, upon the written request of a majority of the Governors.
- (b) The date, time, and place of the Board meetings shall be designated by the Board, Chair or Secretary.
- (c) The Chair of the Presidents Council and the Presidents Council Representatives shall be invited to attend non-executive sessions of Board meetings.

5.6 Notice.

- (a) Regular meetings of the Board shall be held with notice at such dates, times, and places as the Board may determine by vote.
- (b) Written notice shall be sent by the Secretary and shall:
 - (i) state the date, time, and place of the meeting; and
 - (ii) be delivered, mailed, or expressed to each Governor at least fifteen (15) days before the meeting date or be given by telephone, electronic transmission, or other reliable means at least twenty-four (24) hours before the meeting date.
- (c) The business to be transacted or the purpose of any Board meeting is not required to be specified in the notice or a waiver of notice of any Board meeting.
- (d) Notice of any meeting may be waived in writing signed by the individual entitled to notice before or after the date of the meeting.
- (e) A Governor who attends a meeting in person or through the use of any means of communication by which all Governors may simultaneously hear each other during the meeting shall be deemed to have had timely and proper notice of the meeting.

5.7 Quorum. Except as otherwise provided in the Bylaws or by law, at any meeting of the Board, a majority of the Governors then serving who are present in person or through the use of any means of communication by which all Governors may simultaneously hear each other during the meeting shall constitute a quorum.

5.8 Voting.

- (a) Each Governor, including *ex officio* Governors, shall be entitled to one (1) vote, which shall not be voted by proxy.
- (b) The act of a majority of the Governors voting at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in the Bylaws, the Articles or by law.

ARTICLE 6 – OFFICERS**6.1 Number, Designation, and Qualifications.**

- (a) The officers of CFA Institute shall be a Chair, a Vice Chair, a President, a Chief Financial Officer, a Secretary, and such other officers as the Board, Executive Committee, or President may determine.
- (b) Only Regular Members may serve as the Chair, Vice Chair, or President of CFA Institute.

6.2 Chair. The Chair shall:

- (a) preside at all Board and member meetings;
- (b) be the representative of the Board and the Executive Committee; and
- (c) have such other duties and powers as prescribed in the Bylaws, the Articles, by the Board, and by law.

6.3 Vice Chair. The Vice Chair shall:

- (a) perform the duties of the Chair in his or her absence;
- (b) automatically become the Chair of CFA Institute in the event of the Chair's incapacity, resignation, removal or death; and
- (c) have such other duties and powers as prescribed in the Bylaws, the Articles, by the Board, and by law.

6.4 President.

- (a) The President shall:
 - (i) be a Charterholder Member;
 - (ii) be appointed by the Board to serve at its pleasure;
 - (iii) be entitled to compensation as approved by the Compensation Committee;
 - (iv) be the chief executive officer of CFA Institute;
 - (v) have the power and authority to appoint and remove officers other than the Chair, Vice Chair, Secretary, and Chief Financial Officer;
 - (vi) have management, supervision and control of, and responsibility for the business of CFA Institute, subject to the direction of the Board; and
 - (vii) have such other duties and powers as prescribed in the Bylaws, the Articles, by the Board, and by law.
- (b) It shall be the President's duty, and the President and CFA Institute officers shall have the power, to effectuate all orders and resolutions of the Board.

6.5 Secretary and Chief Financial Officer.

- (a) The Secretary shall:
 - (i) act as secretary at all Board and member meetings, including maintaining minutes of such meetings;
 - (ii) maintain the corporate seal and certify the authenticity of Board actions and officer signatures; and
 - (iii) have such other duties and powers as prescribed in the Bylaws, the Articles, by the Board, and by law.
- (b) The Chief Financial Officer shall:
 - (i) oversee the receipt and disbursement of all funds;
 - (ii) maintain CFA Institute financial records and statements;
 - (iii) submit an annual financial statement and budget to the Board and such other statements as the Chair may require; and
 - (iv) have such other duties and powers as prescribed in the Bylaws, the Articles, by the Board, and by law.

6.6 Election and Term.

- (a) Elected Officers.
 - (i) The Chair and Vice Chair shall be elected by the Regular Members at each annual meeting of members.
 - (ii) The Secretary and Chief Financial Officer and such other officers as the Board may determine shall be elected by the Board annually.
 - (iii) Each elected officer shall serve for a term of one (1) year, commencing on the first day of CFA Institute fiscal year following his or her election and continuing until the choosing and qualification of his or her successor.
- (b) Appointed Officers.
 - (i) Except for the President who shall be appointed by the Board, all other officers shall be appointed by the Executive Committee or the President.
 - (ii) Each appointed officer shall serve at the pleasure of the person or group that appointed him or her.

- 6.7 Vacancies.** A vacancy in any office, except as otherwise provided in the Bylaws, may be filled by the Board for all elected officers and the President and by the Executive Committee or President for appointed officers (other than the President) by the appointment of a successor for the unexpired term of the officer whose place is vacant.

ARTICLE 7 – COMMITTEES**7.1 Creation and Requirements.**

- (a) The Board may establish one (1) or more committees to perform such duties as prescribed by the Board, the Articles or the Bylaws, provided that such duties are not prohibited by applicable law.
- (b) Except as otherwise provided in the Bylaws, each committee shall act under the supervision and control of the Board or an Oversight Committee designated by the Board, and the Board or designated Oversight Committee shall have the authority to remove any chair or member of a committee.
- (c) Except as permitted by law and specified in the Bylaws or a resolution of the Board, no committee shall perform any function of corporate power, policy-making, or management.
- (d) Each committee and subcommittee shall adhere to the same procedural requirements as applicable to the Board for notice of meeting, quorum and voting.

7.2 Executive Committee.

- (a) Authority and Responsibility. CFA Institute shall have an Executive Committee that shall:
 - (i) act for the Board between Board meetings on all matters to the extent permitted by law and in accordance with the authority delegated to the Executive Committee by the Board; and
 - (ii) monitor and assess the activities of any Oversight Committee established by the Board to ensure that their objectives and milestones are appropriate.
- (b) Composition.
 - (i) The Executive Committee shall consist of the CFA Institute Chair, Vice Chair, Past Chair, and such other members as specified by the Board.
 - (ii) The CFA Institute Chair shall be the chair of the Executive Committee.

7.3 Oversight Committees.

- (a) Authority and Responsibility. The Board may establish one (1) or more Oversight Committees that, to the extent specified by the Board and as permitted by law, may exercise the authority of the Board, including the exercise of corporate powers, policy-making, and management.
- (b) Composition. Each Oversight Committee shall consist of two (2) or more Governors.
- (c) Purpose. Any Oversight Committee established by the Board shall have the duties and responsibilities as assigned by the Board or the Executive Committee.

7.4 Committee Chair and Members. Except as otherwise provided in the Bylaws:

- (a) the chair of each committee shall be a Regular Member;
- (b) the chair of each committee shall be appointed and approved by the Board, to serve for a term of one (1) year or such longer period as the Board may determine and shall serve until his or her successor is selected and qualified, provided, however, that no individual shall serve as a committee chair for more than three (3) consecutive years except to the extent his or her successor has not been selected and qualified; and
- (c) each member of a committee shall be a Regular Member except to the extent that the Board or Oversight Committee having responsibility for such committee shall determine otherwise;
- (d) the Board or Oversight Committee having responsibility for such committee, shall appoint and approve the members of the committee to serve for a term of one (1) year or such longer period as the Board or Oversight Committee may determine and shall serve until his or her successor is selected and qualified, provided, however, that no individual shall serve as a member of a committee (including anytime as committee chair) for more than six (6) consecutive years except to the extent his or her successor has not been selected or qualified.

7.5 Subcommittees. Except as otherwise set forth in the Bylaws, a committee may create one (1) or more subcommittees and shall determine the subcommittee chairs, members, and terms of members. All actions taken by subcommittees shall be subject to review and approval by the appointing committee, or as otherwise set forth in the Bylaws.**7.6 Reports of Committees.** Each of the committees shall submit a written report to the Board or the Oversight Committee designated by the Board to oversee such committee at least once each fiscal year covering the committee activities since the previous report. Each committee shall report to the Board or applicable Oversight Committee at any time upon the request of the CFA Institute Chair or applicable Oversight Committee chair.**ARTICLE 8 – PRESIDENTS COUNCIL****8.1 Authority and Responsibilities.** A volunteer committee of CFA Institute known as the “Presidents Council” shall be established that:

- (a) provides a forum for discussion among the presidents of the Member Societies;
- (b) facilitates communication of information among Member Societies;
- (c) makes recommendations regarding Member Society activities;
- (d) provides advice and consultation to Presidents Council Representatives, CFA Institute officers, and the Board;
- (e) elects Presidents Council Representatives.

8.2 Composition and Chair. The Presidents Council shall be composed of the president of each Member Society, the Presidents Council Representatives, and the Presidents Council chair. The chair of the Presidents Council shall be elected by a majority of the members of the Presidents Council, and the chair is authorized to attend non-executive sessions of Board meetings.**8.3 Meetings.** The Presidents Council shall meet at least once per year.**8.4 Votes.** Each member of the Presidents Council shall have one (1) vote. Each Member Society president may designate an alternate representative, if such president is unable to attend any meeting.**8.5 Presidents Council Representatives.**

- (a) Authority and Responsibilities. The Presidents Council shall select Presidents Council Representatives that shall facilitate communication of information between the Board and the members of the Presidents Council, and the Presidents Council Representatives are authorized to attend non-executive sessions of Board meetings.
- (b) Composition. Presidents Council Representatives shall be Regular Members selected by the Presidents Council pursuant to procedures established by the Presidents Council. The number of Presidents Council Representatives shall be set by the Board and not be less than eight (8) nor more than thirteen (13) and, in the absence of Board action, shall be eight (8).

ARTICLE 9 – NOMINATING PROCESS AND ELECTION

9.1 Nominating Committee.

- (a) Authority and Responsibility. Nominations for Governor and for the offices of Chair, Vice Chair, and, in the absence of action by the Executive Committee, Chief Financial Officer, and Secretary, shall be made by the Nominating Committee, subject to approval of the Board.
- (b) Composition. The Nominating Committee shall be composed of:
 - (i) the Past Chair (who shall serve as chair of the committee) and the Chair;
 - (ii) two (2) Regular Members elected by the Executive Committee who are serving as a Governor or are in their first year after serving as a Governor;
 - (iii) one (1) Regular Member that is a Charterholder Member elected by the members of the Education Advisory Committee or elected by the members of the Council of Examiners, each in alternate terms; and
 - (iv) two (2) Regular Members elected by the Presidents Council Representatives.
- (c) If the Past Chair is unable for any reason to serve as chair of the committee, the Chair shall serve such function.
- (d) Each member of the Nominating Committee shall serve a two (2) year term. The terms of the two representatives from each constituency in Article 9.1(b) will be staggered so that one person will be serving in the first year of the term and one person will be serving in the second year of their term. No person shall serve two consecutive terms on the Nominating Committee.

9.2 Nominations. Nominees shall be selected by the Nominating Committee and approved by the Board. In carrying out its duties, the Nominating Committee shall seek to:

- (a) nominate individuals to the Board who, in the committee's judgment, will cause the Board to be composed of a wide and balanced range of individuals professionally engaged in the Investment Decision-Making Process;
- (b) select the very best candidates in terms of leadership qualities and skill sets while striving to ensure that the diversity of characteristics of the CFA Institute membership is adequately represented on the Board;
- (c) consider nominees that have shown strong and active commitment and participation to CFA Institute and Member Society activities;
- (d) be mindful of the diversity of job functions, industry sectors, and geographical locations and the many other differences in member perspectives that the Nominating Committee judges to be significant in seeking to achieve a Board that can act effectively in the best interest of all Regular Members, Affiliate Members, Charterholder Members, and Member Societies; and
- (e) at the Executive Committee's direction, nominate an individual(s) that is not a Regular Member, who in the Nominating Committee's judgment, will cause the Board to have the very best candidates(s) to assist CFA Institute in meeting the purposes set forth in Article (2)(h) and (i) of the CFA Institute Articles.

9.3 Solicitations of Nominations. The Nominating Committee shall solicit candidates for each position that the committee is seeking to fill. Solicitation of candidates shall commence promptly after the Nominating Committee has been duly appointed. The names of nominees will be published no later than seventy (70) days prior to the annual meeting of members.

9.4 Nominations of Nominating Committee Members. No member of the Nominating Committee, while serving on the committee, may be nominated for a Board or officer position.

9.5 Nominations by Members. Any Regular Member may submit additional written nominations for Governors and for the offices of Chair and Vice Chair if:

- (a) sponsored in writing by at least two percent (2%) of the Regular Members;
- (b) written consent from the nominee has been obtained; and
- (c) documents supporting both (a) and (b) are submitted to the Secretary no later than sixty (60) days before the annual meeting.

ARTICLE 10 – FINANCES

10.1 Fiscal Year. The fiscal year of CFA Institute shall begin on 1 September of each year unless otherwise determined by the Board.

10.2 Dues. CFA Institute shall have the right to establish and collect dues for Members of CFA Institute.

10.3 Audit Review. Financial statements of CFA Institute shall be audited not less than once per year by an independent certified public accountant approved by the Board.

ARTICLE 11 – STANDARDS AND DISCIPLINARY PROCESS

- 11.1 Standards and Disciplinary Process.** The Standards and Disciplinary Process shall consist of the Professional Conduct Program, the Disciplinary Review Committee, the Standards of Practice Council, and such other programs and committees as established by CFA Institute or the Board.
- 11.2 Professional Conduct Program.** CFA Institute shall have a Professional Conduct Program that may investigate and conduct disciplinary proceedings in connection with the professional conduct of Covered Persons as set forth in the Rules of Procedure.
- 11.3 Disciplinary Sanctions and Grounds for Discipline.** The Professional Conduct Program and the Disciplinary Review Committee shall have the authority to impose disciplinary sanctions upon Covered Persons as set forth in the Rules of Procedure. The disciplinary sanctions that may be imposed upon Covered Persons, up to and including revocation of membership, revocation of the right to use the CFA designation and prohibition from participation in the CFA Program, and the grounds for imposing disciplinary sanctions upon Covered Persons shall be set forth in the Rules of Procedure.
- 11.4 Standards and Disciplinary Process Committees.**
- (a) The Board shall establish such committees, including a Disciplinary Review Committee and a Standards of Practice Council, as it deems reasonably necessary.
 - (b) Except as otherwise specified, each committee created under this section shall function in accordance with Article 7 of the Bylaws.
 - (c) The chair and members of each committee shall be selected in accordance with Section 7.4 of the Bylaws.

ARTICLE 12 – AMENDMENT OF THE BYLAWS

- 12.1 Amendments by the Board.** The following articles and sections of the Bylaws may be amended by the Board upon two-thirds (2/3) affirmative vote of the Governors then serving: Sections 2.8, 2.9, 2.16, 2.17 and Articles 5, 6, 7, 10 and 11.
- 12.2 Amendments by the Members.** In addition to amendments by the Board under Section 12.1:
- (a) any amendment of any article or section of the Bylaws may be approved by the Board for submission to the Regular Members at any meeting of the members or a proposed amendment of any article or section of the Bylaws sponsored by at least two percent (2%) of the Regular Members shall be submitted to the Regular Members at the next duly called meeting of members if such amendment is submitted in writing by the sponsors to the Secretary at least forty-five (45) days prior to such meeting; and
 - (b) an amendment to the Bylaws shall be adopted when approved by a majority of the Regular Members, unless a greater majority is required in the Articles.

