



**CFA Institute**

# **2018 PROXY STATEMENT & NOTICE OF ANNUAL MEETING OF MEMBERS**

**11 May 2018**



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# MESSAGE FROM THE CHAIR

## DEAR FELLOW MEMBERS,

On behalf of the Board of Governors of CFA Institute, I would like to encourage you to review the attached proxy statement. Your vote is important. You can make a difference. Among the decisions you are asked to make is, of course, the appointment of new governors to the Board. So, allow me to focus my remarks on governor selection and governance more generally.

### Governance at CFA Institute

You will be aware that your Board has introduced a number of changes during the last three years. First, we have reduced the size of the Board to a more manageable number. We now operate within a range of 10 to 15 governors serving at any one time. Second, we have repositioned a number of committee-related duties. Third, we have adopted, where appropriate, public company standards of governance. Finally, we embraced and achieved a commitment to sharply improve gender balance on the Board. We believe that these changes increase board effectiveness.



This year, the Board reviewed and strengthened the governor selection process. The Board seeks to ensure the balance of expertise and perspectives necessary to oversee and guide your organisation. No one governor can possibly boast the full range of attributes sought for the Board as a whole. Therefore, the challenge is to recruit a combination of governors whose skills in the aggregate are sufficient to the task. This requires an honest assessment of the expertise that each governor brings and the identification of those attributes that are or will be missing—especially as governors retire from the Board.

This exercise took place last September. It revealed that over the next two years, we would experience shortfalls in the representation of women and of the rapidly growing Asia-Pacific region, plus some gaps in technology, regulatory, academic, and governance expertise. Needless to add, given the pace of change and the challenges faced by our profession, global expertise with respect to industry trends is vital. The slate of candidate governors recommended to you should be seen in the light of the priority skill sets sought.

The nominations and search process began in the fall and continued through January of this year. The Board received and considered more than 100 nominations. Details as to how candidates were sourced and vetted can be found here: [The Board of Governors Nomination Process](#). Suffice it to say that over seven meetings, the nominations committee arrived at a short list of eight external candidates, each of whom was interviewed and discussed at length. A similar process for the selection of officer positions took place during the same period. Final recommendations were then presented to the Board for consideration. After two meetings on the matter, the Board reached unanimity with respect to those candidates now recommended to you for consideration.

### CEO Succession Planning

Perhaps the two most important tasks of a Board are (1) to ensure that the organisation's strategy is sound and (2) to recruit a CEO capable of executing that strategy. Our mission is clear. Our strategy is unchanged. And our CEO, Paul Smith, continues to prove an effective leader of the organisation. Paul has also been a constructive and exemplary executive when it comes to succession planning. He has indicated to the Board an intention to retire at the end of five years at the helm. This target date is well into the future: January 2020. It thus allows the Board to carefully plan and pace the CEO succession process. This exercise will involve careful consideration of both internal and external candidates. Key steps in the process include the retention of an executive search firm, agreement of the search profile, and identification and assessment of candidates. A recently appointed CEO Search Committee will shepherd the effort. By starting early, your Board is confident of ensuring that the necessary future leadership will be in place.

### Please Vote

We are here to advance our mission and serve our members. Please help by reviewing the enclosed materials and voting your view on the propositions put before you.

I look forward to seeing you at the Annual Meeting of Members on Friday, 11 May 2018.

**Robert W. Jenkins, FSIP**  
Chair, CFA Institute Board of Governors

# MESSAGE FROM THE PRESIDENT AND CEO

## DEAR COLLEAGUES,

The Greek philosopher Heraclitus stated that “change is the only constant in life.” For the investment management profession, this rings true. Change seems to be coming at a more frantic pace with each passing year. We cannot afford to be complacent, and I am pleased to report that CFA Institute continues to evolve, advocate, and innovate. Standing still cannot be the answer.

We are a mission-driven organization and not a financially-driven one but, having said that, our financial results do enable our organization to continue to deliver on our mission to lead the investment management profession. So, dealing with numbers first, in FY17, we closed the year with \$312.6 million in revenues, up nearly \$30 million from FY16. And we administered 270,100 CFA Program examinations, well up from 244,000 the prior year. We also reported 156,800 members for the fiscal year. I am proud to report that all of these results stand as records for our organisation.



Generating candidates continues to be a task that absorbs very little of your organisation's resources. Our view for the last three years has been steadfast—deliver on our mission and candidates will be drawn to our professional designation. We believe these results clearly demonstrate that this approach is the correct one.

Less easily measurable, though of far more importance, are the strides we have made in leading the profession through continuing professional development (CPD) and through advocacy. CPD and advocacy are the two areas of endeavour to which every professional body needs to direct the majority of their member resources.

Our advocacy efforts this year focused mainly on dual-class shares; environmental, social, and governance issues (ESG); accounting standards; the fiduciary rule; and MiFID II. The regulatory environment continues to evolve in the global financial markets, and I am proud of the role CFA Institute has played through its advocacy efforts in favor of investor protection and market integrity.

In particular, we have led a debate for holding the line against dual-class share structures, which disenfranchise common shareholders and represent an affront to standard corporate governance practices and investor rights. We created a strong policy position on ESG, reflecting our broad membership and the growing ESG influence on investment management practice.

We have been a leader on key improvements in audit and accounting standards, and we have been recognized as a visionary voice for advancing a uniform fiduciary duty for investment advice. In the US, debate continues to swirl around this issue. In our comment letter to the SEC, we urged the agency to initiate steps to enhance investor protection, financial market transparency, and financial literacy for retail investors.

A key success has been our work on MiFID II and using our membership as an influential voice for regulators on the implementation of this industry-changing directive. As the industry grapples with the impact of MiFID II, we surveyed our European members to understand the expectations of buy-side professionals regarding research pricing, the allocation of those costs, and related issues. The results were published in a landmark report, “MiFID II: A New Paradigm for Investment Research.” Stay tuned for another installment of our Brexit research, which has been tracking member and industry sentiment on the topic since the UK voted to leave the EU.

Part of our advocacy efforts also involves thought leadership. The Future of Finance Team released a groundbreaking report in April 2017 entitled “Future State of the Investment Profession” (FSIP) and will follow this up in 2018 with a new study that builds on the themes from FSIP to provide specific guidance to asset management firms. FSIP was extremely well received by the global industry and has been (and continues to be) a major contributor to helping our industry attach itself to a sense of purpose and to further the conversation around increasing professionalism in investment management.

Please do visit our website, which relaunches on April 17th in a vastly improved format, and learn more about our advocacy and thought leadership efforts. If you wonder where your member dues are spent, then the answers can be found there.

Looking to the future, a professional body must discharge its obligations to members in the area of continuing professional development. CPD must advance your career and be grounded in the latest practice-relevant competencies in your location to help you be the best professional you can be throughout your career. It must also be delivered to you where you are, when you want it, and how you want to receive it.

Our societies are best positioned to be your first port of call for CPD, and we are designing and building a platform to accomplish that. A credential is vital but represents a point-in-time qualification. Professionalism demands a life-long commitment to furthering our education as practitioners.

Finally, the point of advocacy and continuing professional development is to deliver lasting impact in your community in the advancement of our professionalism agenda. This can best be accomplished through well-resourced, strongly-supported local societies. This represents the most important plank of our strategy. In short, we seek to empower members through their local societies in order to better deliver on our mission. We call this initiative Societies 2.0.

This initiative continues a journey we began several years ago to build greater alignment with societies and to support them in becoming the primary interface with members and institutions. As such, we continue to work with society leadership to determine how we can add more resources—e.g., personnel, financial, and technological—to help them achieve this.

Technology will be key. If you have not done so already, please download our member app. This will be the interface with which your society and CFA Institute will communicate with you; it will be the tool for accessing and recording continuing professional development. It connects you with members around the world and informs you about events in our societies. It's our main member engagement tool, so please take advantage of it.

As we look ahead to FY18, I believe it will be another banner year for your organization. We booked strong operating results through the first quarter largely due to higher-than-anticipated registrations for both the December 2017 and June 2018 exams. That bodes well for our financial picture.

We officially launched our new brand campaign, "Let's Measure Up," in January. The campaign will be live in 11 key markets around the world through the end of May. It's exciting to see our brand showcased in such high-impact places as the Canary Wharf tube station in London. Raising the brand value of our designation globally has been a consistent member demand. We have made significant progress in this regard and will continue to do so.

As part of our efforts to advance professionalism, we have launched Credentialing 2030, a comprehensive discussion among societies, members, and CFA Institute that takes a 10-year view of the credentialing and investment industry worlds, including addressing the millennial generation, ongoing technological changes, and changing perceptions of life-long learning. More on this as 2018 unfolds.

As I said at the beginning of this message, standing still in times of change rarely represents the right response. Credentialing 2030 will challenge us all to reimagine a future in which our credential and our member servicing remain at the centre of the investment industry.

Thank you for your involvement, your professionalism, and your commitment to making CFA Institute the leading professional body in the investment industry.

Best regards,



**Paul Smith, CFA**  
President and CEO, CFA Institute

# NOTICE OF ANNUAL MEETING OF MEMBERS

## Date and Time

Friday, 11 May 2018  
11:45 a.m. Hong Kong Time (Hong Kong SAR)  
Regular Members are encouraged to participate in person or remotely.

## Place

Kowloon Shangri-La  
Rose and Peony Rooms (Combined)—Lower Level II  
64 Mody Road, Tsim Sha Tsui East  
Kowloon, Hong Kong SAR, China

## Webcast

Please use the following link to join by webcast: [CFAINstitute.OnlineShareholderMeeting.com](http://CFAINstitute.OnlineShareholderMeeting.com)

## 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 2018.
3. To elect a Chair and Vice Chair of the CFA Institute Board of Governors for fiscal year 2019.
4. To elect seven Governors, each to serve a term beginning 1 September 2018 and ending 31 August 2021.
5. To transact any other business that properly comes before the meeting or any adjournment.

All Regular Members at the close of business on 6 March 2018 will be entitled to vote at the meeting and any adjournments.

This notice and the Proxy Statement will be mailed on or about 26 March 2018 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 11:59 a.m. Eastern Daylight Time (New York, U.S.A.) on Wednesday, 9 May 2018.



## By Internet

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- Visit [www.proxyvote.com/CFAInstitute](http://www.proxyvote.com/CFAInstitute) to vote online. Please reference your proxy card information when you access the website and follow the instructions to obtain your records and submit your electronic ballot.



## By Phone

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- Call (800) 690-6903 to vote by phone. Please reference your proxy card when you call and follow the instructions.



## By Paper Ballot, Sent by Mail:

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- Mark, sign, and date your proxy card and return it in the postage-paid envelope provided by Broadridge. Your vote will be mailed to c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

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

If you require assistance with voting, please call toll free at +1 (866) 232-3037 or +1 (720) 358-3640 if calling from outside the U.S.



# 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
Purposes—Amend Article 2(d) of the Articles of Incorporation to bring additional clarity to advocacy activities within the stated Purposes of CFA Institute.	FOR	This amendment will further articulate the advocacy activities that are within the mission and purpose of CFA Institute.	Approval requires two-thirds of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present.
Board of Governors—Amend Article 5 of the Articles of Incorporation to specifically identify that governors not serving in an ex officio capacity are elected by the Regular Membership of CFA Institute.	FOR	This amendment will ensure compliance with the Commonwealth of Virginia State Corporation Commission by identifying in the Articles of Incorporation which class of members of CFA Institute is eligible to elect the governors to serve on the Board.	Approval requires two-thirds of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present.
Regular Members—Amend Article 3.2(b)(iv) of the Bylaws to authorize the Board of Governors to admit to Regular Membership of CFA Institute voting members of an organization with whom CFA Institute or Member Societies combine through merger, acquisition, or otherwise.	FOR	This amendment will provide the Board the opportunity to make a determination to bring the full voting membership of an organization, through merger or acquisition, into Regular Membership of CFA Institute, provided they have four (4) years of acceptable work experience and a bachelor's degree from an accredited academic institution (or equivalent education or work experience).	Approval requires two-thirds of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present.
External Auditor—Ratify the selection of an independent registered public accounting firm for fiscal year 2018.	FOR	The Audit and Risk Committee of the Board of Governors believes that PricewaterhouseCoopers LLP should be designated to perform the fiscal year 2018 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.
Elect Heather Brilliant, CFA, as Chair and Diane Nordin, CFA, as Vice Chair of the CFA Institute Board of Governors for fiscal year 2019.	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.
Elect Alex Birkin; Robert Bruner; Dan Fasciano, CFA; Daniel Gamba, CFA; Punita Kumar-Sinha, CFA; Geoffrey Ng, CFA; and Zouheir Tamim El Jarkass, CFA, as governors, each to serve a term beginning 1 September 2018 and ending 31 August 2021.	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** 14 of 15 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. The President and CEO is the only non-independent governor currently serving on the Board.



### **Diversity** 10 of 15 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, and cultural background, among other factors.



### **Leadership Experience** 14 of 15 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** 14 of 15 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.



### **Audit Experience** 12 of 15 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.



### **Human Resources Experience** 9 of 15 Governors

Governors who have experience in people management 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** 14 of 15 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.



### Information Technology Experience 1 of 15 Governors

Governors with technology backgrounds and experience can help the Board 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 7 of 15 Governors

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



### Regulatory Experience 5 of 15 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.



### Branding and Communications Experience 7 of 15 Governors

Governors who have experience building a brand can help grow the CFA Institute brand in new and existing markets to extend our global reach and relevance.



### Education Experience 8 of 15 Governors

Governors who have worked in the field of education and are considered an expert instructor in their area of focus.

The above Skills Matrix refers to the Fiscal Year 2018 Board of Governors.

# VOTING MATTERS

## Amendments to the Articles of Incorporation and Bylaws

### Purposes—Amend Article 2(d) of the CFA Institute Articles of Incorporation

#### Recommendation

The Board of Governors recommended an amendment to the Articles of Incorporation to ensure the purposes of CFA Institute are clearly articulated. The primary driver for this proposed change is to increase clarity around the description of the advocacy efforts and activities of CFA Institute, which include the advancement of investor protection and market integrity in consultation with global regulatory and standard setting bodies.

The issue was evaluated with input from governance experts, review of corporate standards, and in accordance with best practice. Advocacy activities of CFA Institute were confirmed to be within the stated Purposes of the organization; however, further clarity would be beneficial. The consensus was that the added language was in line with the mission of CFA Institute and enhanced transparency around the organization's purposes.

#### Amendment

### 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; including advocacy and other engagement with global regulatory and standard-setting bodies, academic institutions and others to enhance investor protection, market integrity and ethical and professional standards;
- (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.

## Board of Governors—Amend Article 5 of the CFA Institute Articles of Incorporation

### Recommendation

The Board of Governors recommended an amendment to the Articles of Incorporation explicitly stating that all Governors, with the exception of those serving in an ex officio capacity, are elected by the Regular Members of CFA Institute at the annual meeting of members. The primary driver for this proposed change is to ensure full compliance with the Commonwealth of Virginia State Corporation Commission. Currently, the Bylaws identify that governors are elected by the Regular Membership of the organization.

The consensus was that CFA Institute should clearly articulate how Governors are elected in its Articles of Incorporation to ensure its continued good standing in the state of Virginia.

### Amendment—3rd Paragraph

#### **Article 5—Board of 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 be elected by the Regular Members of CFA Institute at the annual meeting of members and 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.

## Regular Members—Amend Article 3.2(b)(iv) of the CFA Institute Bylaws

### Recommendation

The Board of Governors recommended an amendment to the Bylaws that would provide the Board the opportunity to make a determination to bring the full voting membership of an organization, through merger or acquisition, into Regular Membership of CFA Institute, provided they have four (4) years of acceptable work experience and a bachelor's degree from an accredited academic institution (or equivalent education or work experience). This flexibility would enable the Board, in appropriate circumstances, to facilitate these transactions and further the goals of the organization.

The issue was evaluated with input from governance experts, review of corporate standards, and in accordance with best practice.

## Amendment

### Article 3—Members and Candidates

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;
  - (iii) be a Charterholder Member; or
  - (iv) four (4) years of Acceptable Professional Work Experience and be a voting member in good standing of an organization with whom CFA Institute or its Member Societies have combined through merger, acquisition or otherwise, provided that the Board of Governors has approved Regular Membership by a 2/3 affirmative vote.
- (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.

## Ratification of Selection of Independent Registered Public Accounting Firm

The Audit and Risk Committee has appointed PricewaterhouseCoopers, LLP, as the organization's independent public accounting firm to perform the fiscal year 2018 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.

## Election of Chair and Vice Chair

At the Annual Meeting of Members, members will be asked to vote on the election of Heather Brilliant, CFA, as Chair and Diane Nordin, CFA, as Vice Chair of CFA Institute for a term beginning on 1 September 2018 and ending on 31 August 2019, 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



## Heather Brilliant, CFA

**Governor Since:** 2013

**Age:** 41

**Country:** United States

**Society Membership:** New York and Sydney



Independent



Diversity



Leadership



Global



Audit



Human Resources



Investment Management



Risk Management



Branding and Communications

### Current Position:

- Managing Director, Americas, First State Investments, New York, New York, United States, since 2017

### Prior Positions:

- 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:

- Board of Governors Vice Chair (FY2018)
- CEO Search Committee (FY2018)
- Compensation Committee (FY2018)
- Executive Committee (FY2016, FY2018)

- 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, CFA, is managing director, Americas, of First State Investments. In this role, she is responsible for expanding First State's market presence across the Americas. From 2014–2017, she was chief executive officer of Morningstar Australasia, where she led a team of approximately 150 financial services professionals based in Australia and New Zealand. Before assuming this role in 2014, Brilliant was global director of equity and corporate credit research for seven years. In this role, she led Morningstar's global equity and corporate credit research teams, consisting of more than 120 analysts, strategists, and directors. She also served on Morningstar's Economic Moat committee, a group of senior members of the equity research team responsible for reviewing all of the firm's Economic Moat and Moat Trend ratings. She is the co-author of *Why Moats Matter*, a book on sustainable competitive advantage analysis, published by Wiley in 2014. Before joining Morningstar in 2003, Brilliant spent several years as an equity research analyst for boutique investment firms. She has covered a variety of sectors, including pharmaceuticals, biotechnology, business services, and retail. She started her finance career at Bank of America as a corporate finance analyst, covering the auto industry. Brilliant holds a bachelor's degree in economics from Northwestern University and a master's degree in business administration from the University of Chicago Booth School of Business. She also holds the Chartered Financial Analyst® designation. Brilliant is vice chair of the CFA Institute Board of Governors and is a past chair of the CFA Society of Chicago.

### Personal Statement

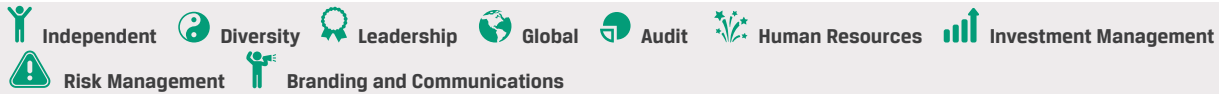
I am honored to be nominated to serve as chair of the Board of Governors. I am proud of the organization's dedication to shaping our industry with a foundation of strong ethical principles and integrity. As chair, I will aim to foster a spirit of collaboration among our increasingly diverse board, staff, and societies so we can work together to ensure CFA Institute is ready for the challenges of the future.

The world is changing rapidly, particularly within investment management, and it is our responsibility to ensure CFA Institute is well equipped not only to react to the changes our industry is facing, but to lead that change. We need to continue to hone our vision and strategy in a direction that helps ensure our content, delivery, and community are ready for the next generation of investment management professionals and leaders, with a clear and unwavering commitment to our fiduciary responsibility to our clients. In addition, as a board we face a challenge that tops the list in terms of board responsibilities: we must appoint a new CEO by 2020.

When I first joined the board in 2013, I was an advocate for enhancing collaboration between CFA Institute and societies around the world. As a former society leader, I could see that much more could be accomplished working together as a global organization. Paul Smith has taken that vision of the board and turned it in to a strategy that has led to an impressive partnership between CFA Institute and member societies. I look forward to working with Paul and his successor to ensure that vision and strategy continue on the path of strong collaboration.

\* Denotes the governor served as Chair.

## Vice Chair Nominee

**Diane Nordin, CFA****Governor Since:** 2016**Age:** 59**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, FY2018\*)
- Executive Committee (FY2018)
- CEO Search Committee (FY2018\*)

**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
- Chair of Investment Committee and Member of Audit Committee, Appalachian Mountain Club
- Chair of Compensation Committee and Member of Audit and Executive Committees, Fannie Mae
- Chair, Compensation Committee, Antares Capital
- Trustee and Chair of Investment Committee, Wheaton College
- Member, Audit and Human Resources Committees, Principal Financial Group

**Education:**

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

**Bio**

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



**Personal Statement**

It is an honor to be nominated to serve as the Vice Chair of the CFA Institute Board of Governors.

Serving on the Board of Governors and as the Chair of Audit and Risk Committee has given me insight to the challenges we face to meet the strategic goals of CFA Institute and the responsibility we have as the standard bearer of ethics and professional excellence. As fiduciaries, the Board serves a critical role in seeking to ensure that the strategic plan and operational framework are well resourced and sustainable and meet the expectations of membership and other stakeholders globally. Working with management and staff of CFA Institute, I support the continued initiative to reach a more diverse, global constituency, which is essential to maintaining a dynamic and innovative institution.

It is the right time for CFA Institute to boldly lead the industry and execute its mission "to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society." As a charterholder and longtime member of the investment profession, I understand the tremendous need worldwide for educational opportunities with an emphasis on ethical conduct and the highest professional standards. As a current Governor, I see firsthand the organization's commitment to providing these services globally to a diverse set of stakeholders.

Balancing the various needs and wants of our membership in pursuit of our shared goals takes thoughtful leadership and constructive engagement with management at CFA Institute. Having served on several corporate and nonprofit boards, I have working knowledge of the responsibilities of board leadership, the unique opportunities and challenges that a volunteer base offers, and the governance framework required to achieve desired outcomes.

I would consider it a privilege to serve in the role of Vice Chair of the CFA Institute Board of Governors and apply my global investment management leadership expertise and board governance skills to achieve the shared goals of CFA Institute and its members.

*\* Denotes the governor served as Chair.*

## Election of Governors

At the Annual Meeting of Members, members will be asked to vote on the election of Alex Birkin; Robert Bruner; Daniel Gamba, CFA; Dan Fasciano, CFA; Punita Kumar-Sinha, CFA; Geoffrey Ng, CFA; and Zouheir Tamim El Jarkass, CFA, as governors, each to serve a three-year term beginning 1 September 2018 and ending 31 August 2021. 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 Nominees

**Alex Birkin**

Age: 42

Country: United Kingdom



Leadership



Global



Audit



Human Resources



Investment Management



Information Technology



Risk Management



Regulatory

**Current Position:**

- Partner, EY\*\*
- Global Wealth & Asset Management Consulting Leader
- EMEIA Wealth & Asset Management Industry Leader

**Prior Positions:**

- Partner, EMEIA FSO Wealth & Asset Management Consulting Leader, EY, London, United Kingdom
- Partner, UK Asset Management Leader, Financial Services Office, Ernst & Young, London, United Kingdom
- Senior Manager, UK Asset Management Business Development, Ernst & Young, London, United Kingdom

**Board Committee Service:**

- Board Member, EY Global Wealth and Asset Management
- Regional Board Member, EY EMEIA Financial Services Office

**Education:**

- Bachelor of Sciences, University of Manchester Institute for Science and Technology
- Passed Finalist, Chartered Institute of Management Accountants

**Bio**

Alex Birkin is the EY Global Wealth and Asset Management Consulting Leader and EMEIA Wealth and Asset Management Industry Leader. He is responsible for all of the services EY delivers to the Wealth Management, Asset Management, Alternatives, and Asset Servicing sectors (WAM) in Europe, the Middle East, India, and Africa (EMEIA) and for the consulting services globally. Mr. Birkin is the leader of 5,000+ people and 200+ partners. Mr. Birkin is a member of the EY Global WAM Executive Committee, the Global Consulting Extended Leadership team, and the EMEIA FSO Leadership team. Mr. Birkin joined EY in 1997 as a graduate and after 8 years became a partner in 2005. He has been advising the wealth and asset management industry for over 20 years. Mr. Birkin provides advice and consulting services to boards and executive management teams in the industry across a number of disciplines including strategy, business model transformation, digital transformation, technology, transaction integrations, growth strategies, cost reduction, regulatory driven business change, and risk management. Mr. Birkin's clients include global and boutique asset managers, private banks, wealth managers, alternative managers, and investor services firms based in EMEIA, the US, Asia, and Japan. In addition to serving clients, Mr. Birkin has provided industry advice to HM Treasury, investment trade associations, and regulators. He regularly publishes articles on industry trends, provides thought leadership on the next evolution of the industry, and is regularly asked to present at leading industry conferences in Europe, the Middle East, Asia, and the US.

**Personal Statement**

I am honored to be nominated to serve on the Board of Governors of CFA Institute. As a global leader in the EY Wealth and Asset Management practice, I have provided advisory and consulting services to the global wealth and asset management industry for more than 20 years. During that time, I have admired the vision and focus of CFA Institute and I have worked with many of its members to further our common goals. I am passionate about improving our industry on a global basis for the benefit of all our stakeholders and ultimately building a better working world. I believe there is a strong alignment between my personal motivation to improve our industry and the CFA Institute mission to generate value for professionals and the industry, which collectively contributes value to society.

I believe our industry will experience significant change over the coming years as a result of different stakeholder expectations, regulation, and digital disruption. If I were appointed to the serve on the Board of Governors, I would focus on how CFA Institute and its members should evolve to address these changes and expectations.

My global role at EY will allow me to have regular discussions with CFA Institute member societies and the members across the world to help deliver our shared vision.

*\*\* Alex Birkin may not be considered an independent governor pursuant to the CFA Institute Standards of Independence for the Board of Governors Policy. EY provides internal audit services to CFA Institute for which Mr. Birkin is not involved in the delivery or oversight of these services. Mr. Birkin would be precluded from serving on the Audit and Risk Committee of CFA Institute and required to recuse himself from voting on all matters involving services provided by EY to the organization. Board policy requires all governors to disclose potential and actual conflicts of interest as operational best practice.*



## Robert Bruner, DBA

Age: 68

Country: United States

Independent
 Global
 Audit
 Human Resources
 Education

### Current Position:

- University Professor at the University of Virginia, Distinguished Professor of Business Administration, and Dean Emeritus. Affiliated with the Darden Graduate School of Business Administration, University of Virginia, Charlottesville, Virginia, United States, since 1982.

### Current Positions on Other Boards:

- Trustee, INCAE Foundation Board of Trustees
- Trustee, Rare Book School Foundation Board of Trustees

### Education:

- Bachelor of Arts, Yale University
- Master of Business Administration, Harvard University
- Doctor of Business Administration, Harvard University

### Bio

Robert Bruner is a University Professor at the University of Virginia and Distinguished Professor of Business Administration and Dean Emeritus of the Darden School of Business. He has also held visiting appointments at Harvard University and Columbia University in the United States, INSEAD in France, and IESE in Spain. He is the author, co-author, or editor of more than 20 books on finance, management, and teaching. A faculty member since 1982 and winner of leading teaching awards at the University of Virginia and within the Commonwealth of Virginia, he teaches and conducts research in finance and management. As a financial economist, he is best known for his research on mergers and acquisitions, corporate finance, and financial panics. He is the author and co-author of over 300 teaching case studies and of *Case Studies in Finance*, now in its eighth edition. His book *The Panic of 1907* (co-authored with Sean Carr) commenced his current area of research, the causes and consequences of financial crises. As dean of the Darden School from 2005 to 2015, he chartered or led a series of initiatives that revised Darden's curriculum and program offerings, raised the profile of admitted students, hired a new generation of faculty and staff, improved the diversity of the Darden community, raised over \$165 million in new funds, and saw Darden's rankings rise to the Top 10 of U.S. schools. From 2007 to 2009, he served as a member of the board of directors of the Graduate Management Admission Council, which administers the GMAT entrance exam for business schools. And from 2009 to 2011, he chaired the board of the Consortium for Graduate Study in Management, an alliance of leading American business schools and top corporations in the U.S. that aims to enhance diversity in business education and leadership. He has served on the boards of various nonprofit organizations, including the Darden School Foundation and two for-profit corporations. In 2012, Poets & Quants and CNNMoney/Fortune named him "Dean of the Year."

### Personal Statement

Investing, finance, and leadership development have been the focus of my professional life as a researcher, educator, writer, and adviser. My mission has been to elevate management practice through discovery and dissemination of compelling research and best practices. Ultimately, I seek to prepare leaders who will improve society—all of which is congruent with the mission of CFA Institute. I welcome the opportunity to serve CFA Institute for several reasons. First, it is a global leader in professional education and certification and an agent for positive change. Second, I believe that my experience and insights as a researcher, educator, and institutional leader can help to advance the mission of CFA Institute. Third, I am energized by the opportunities and challenges that confront the investment management profession and CFA Institute, including digital technology (AI research and online education), democratization of finance (through fintech and the blockchain), demographic shifts (such as immigration and aging populations in the developed countries), and turbulence in markets and regulations (think of the financial crisis of 2008). How are we to prepare current leaders and the rising generation of professionals to meet these? I look forward to helping to frame a response.



## Dan Fasciano, CFA

**Age:** 51

**Country:** United States

**Society Membership:** Boston



Independent



Leadership



Investment Management

### Current Position:

- Managing Director, Wealth Management and Family Wealth Investment Advisory, Bank of New York Mellon, Boston, Massachusetts, United States, since 2010

### Prior Positions:

- Director of the State of Florida Treasury, Tallahassee, Florida, United States
- Head of US Investment Office/Director of Fixed Income, Aviva Investors/Morley Fund Management, Boston, Massachusetts, United States
- Director of Fixed Income, Mellon Financial Corporation/The Boston Company, Boston, Massachusetts, United States

### Additional Volunteer Experience:

#### *CFA Institute*

- Member, Annual Conferences Advisory Group

#### *Society*

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

### Education:

- Master of Business Administration, Boston University
- Bachelor of Arts, University of New Hampshire
- Chartered Financial Analyst, CFA Institute
- Chartered Alternative Investment Analyst, Chartered Alternative Investment Association
- Chartered Market Technician, Chartered Market Technicians Association

### Bio

Dan Fasciano, CFA, is Managing Director and Family Wealth Investment Advisor at BNY Mellon Wealth Management. He rejoined the firm in 2010 and is a member of the firm's Investment Strategy Committee. Prior to his return, Mr. Fasciano served as the Treasury Director for the State of Florida, where he was responsible for all investment activities related to the state's \$16 billion portfolio. Before his work for the State of Florida, he was the Head of US Investment Office for Aviva Investors, one of the UK's largest insurance and investment firms. He began his career on the private wealth team at Mellon Financial in 1990. Mr. Fasciano is currently serving as Chair of the CFA Institute Presidents Council, after three years of serving as Presidents Council Representative representing the Eastern United States. He is a past Board member and Chair of CFA Society Boston.

Mr. Fasciano received his BA from the University of New Hampshire and his MBA from Boston University. In addition to the CFA designation, he also holds the Chartered Market Technician (CMT) and Chartered Alternative Investment Analyst (CAIA) designations.

### Personal Statement

Having served as a volunteer society leader for more than a decade, I continue to be honored and motivated by the opportunity to strengthen the member and society experience as well as contribute to the success of the larger CFA Institute mission and vision.

Professionally, having direct leadership experiences in both the wealth management and institutional spaces, I expect to draw upon these real-world accountabilities while continuing to build on my volunteer services among member societies and CFA Institute. Many of the challenges we face are yet to be defined. I look forward to bringing my professional and volunteer perspectives into my board responsibilities as we continue to lead the investment management profession.



## Punita Kumar-Sinha, PhD, CFA

**Age:** 55

**Country:** India/United States

**Society Membership:** Boston



Independent



Diversity



Leadership



Global



Audit

### Current Position:

- Founder and Managing Partner, Pacific Paradigm Advisors LLC, Boston, Massachusetts, United States

### Prior Positions:

- Senior Managing Director and CIO & Head of Blackstone Asia Advisors, The Blackstone Group, Boston, Massachusetts, United States
- CIO and Senior PM of NYSE listed India Fund
- Managing Director, Oppenheimer & Company/CIBC Oppenheimer, Boston, Massachusetts, United States
- Portfolio Manager, Batterymarch Financial Management, Boston, Massachusetts, United States
- Equity Analyst and Member of the International Equity team, Standish, Ayer & Wood, Boston, Massachusetts, United States
- Board member, Fairfax India Holdings (Toronto listed), TiE Boston, and Hexaware

### Current Board Positions on Publicly Traded Companies:

- Independent Director, Infosys (Chair, Finance and Investment Committee until March 31, 2018), India
- Independent Director, JSW Steel (Chair, Hedging Policy Review Committee), India

- Independent Director, Rallis India (Chair, Stakeholders Relationship Committee), India
- Independent Director, Bharat Financial Inclusion, India
- Independent Director, Sobha, India
- Independent Director, SREI Infrastructure Finance, India

### Additional Volunteer Experience:

#### CFA Institute

- Conference Speaker and Speaker at CFA Institute events including at CFA Governors meeting in India

#### Society

- Speaker at CFA Institute member society events

### Education:

- PhD and Master's in Finance, The Wharton School, University of Pennsylvania
- Master of Business Administration, Drexel University
- Bachelor of Technology, Indian Institute of Technology
- Chartered Financial Analyst, CFA Institute

### Bio

Punita Kumar-Sinha has focused on investment management and financial markets during her 30-year career. She also has significant governance and Board experience across India and North America. Ms. Kumar-Sinha has been investing in emerging markets since the late 1980s and pioneered some of the first foreign investments in the Indian subcontinent in the early 1990s. Currently, she is the Founder and Managing Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm focused on Asia. She serves as an Independent Director and Senior Advisor for several companies in India. Prior to this, Ms. Kumar-Sinha was a Senior Managing Director of Blackstone and the Head & Chief Investment Officer of Blackstone Asia Advisors. Ms. Kumar-Sinha was also the Senior Portfolio Manager and CIO for The India Fund (NYSE: IFN), one of the largest India funds in the US, for almost 15 years; during this time, she managed several Asia funds as well. Prior to joining Blackstone, Ms. Kumar-Sinha was a Managing Director and Senior Portfolio Manager at Oppenheimer Asset Management Inc. and CIBC World Markets, where she also managed India and Asia funds. She has also worked at Batterymarch (a Legg Mason company), Standish Ayer & Wood (a BNY Mellon company), JP Morgan, and IFC/World Bank. Ms. Kumar-Sinha is frequently featured in the media and at global conferences as an expert commentator on Asian capital markets and women's issues. She has also anchored many TV shows on major economic trends, key policy issues for India, and global capital markets. Ms. Kumar-Sinha has a PhD and a master's in Finance from the Wharton School, University of Pennsylvania. She received her undergraduate degree in Chemical Engineering with Distinction from the Indian Institute of Technology, New Delhi. She has an MBA and is a CFA charterholder. Ms. Kumar-Sinha is a member of CFA Institute, a member of the Boston Security Analysts Society, a TiE Charter Member, and a member of the Council on Foreign Relations. Dr. Kumar-Sinha has been awarded the Distinguished Alumni Award from IIT Delhi.

### Personal Statement

As an active member of CFA Institute over the past 24 years, I am honored to be nominated to serve on the Board of Governors. CFA Institute plays a vital role in the global financial system by building trust among investors, regulators, companies, and the general public. My global investment experience and my work on boards in India and North America has provided me a deep understanding of corporate governance practices, regulation and disclosure standards, and the ethical issues facing the investment management industry across the world. It has reinforced my belief that CFA Institute and its members must continue to help improve governance and reporting standards across the world. I am passionate about contributing to this effort and would like to utilize my extensive board experience to assist CFA Institute in this regard.

The investment management industry is changing rapidly with a proliferation of products, asset classes, and new approaches such as AI. My investment experience spans fundamental and quantitative investing, and I have also worked with different types of firms ranging from PE firms to large banks to mutual fund companies. I hope to play a bridging role for CFA Institute to educate regulators, investment professionals, and investment firms in India so that they can take full advantage of the trends reshaping the industry.

I was one of the first few Indian women to qualify as a CFA charterholder. Membership has been invaluable for my career advancement. Working with the CFA Institute staff and fellow charterholders, I will strive to include more CFA Program training into career development programs for women and encourage more women to join the profession, particularly in India where gender diversity in the profession is below par.

I am fully committed to the noble mission and goals of CFA Institute and will do my best to serve the organization and its members.



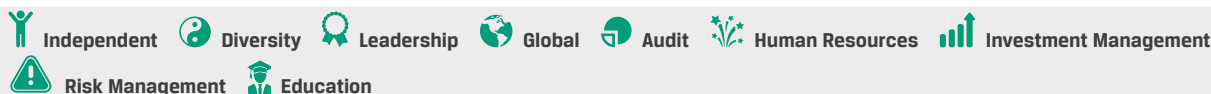


## Geoffrey Ng, CFA

**Age:** 44

**Country:** Malaysia

**Society Membership:** Malaysia



### Current Position:

- Director, Strategic Investments, Fortress Capital Asset Management, Kuala Lumpur, Malaysia, since 2014

### Prior Positions:

- Executive Director/CEO, Hong Leong Asset Management Group, Malaysia
- Managing Director, Alioth Capital, Dubai, United Arab Emirates
- Senior Vice President, Dubai Investment Group, Dubai, United Arab Emirates
- Chief Investment Officer, Pacific Mutual Fund, Malaysia

### Current Positions on Other Boards:

- Executive Director, Fortress Capital Asset Management Sdn Bhd
- Non-Executive Director, Bristol Academy Sdn Bhd

### Additional Volunteer Experience:

#### *CFA Institute*

- Past CFA Program Exam Grader
- Past Member, Council of Examiners
- Past Vice Chair, Education Advisory Committee
- Past Participant, Test Specifications Task Force

#### *Society*

- Past Vice President, CFA Society Malaysia
- Treasurer, CFA Society Malaysia
- Past Membership Chair, CFA Society Malaysia

#### *Education:*

- Bachelor of Commerce, Carleton University
- Certified Financial Planner, Certified Financial Planner Board of Standards, Inc., and Financial Planning Association of Malaysia
- Chartered Financial Analyst, CFA Institute
- MIT Fintech: Future Commerce, Massachusetts Institute of Technology

### Bio

Geoffrey Ng, CFA, is currently Director, Strategic Investments, with Fortress Capital Asset Management (M) Sdn Bhd. Mr. Ng is an accomplished and award-winning investment manager, bringing extensive domestic and international experience with two decades of multi-asset class and strategic investments proficiency. Previously, Mr. Ng was CEO and Executive Director with Hong Leong Asset Management Bhd and Senior Vice President at Dubai Investment Group. Mr. Ng has also held the position of Chief Investment Officer at Pacific Mutual Fund. Mr. Ng has served on the CFA Institute Education Advisory Committee and Council of Examiners. He was also Vice Chairman and Treasurer for CFA Society Malaysia. Mr. Ng holds a Bachelor of Commerce (High Honors) in Accounting and Finance from Carleton University. He is a CFA charterholder and a Certified Financial Planner (CFP) and holds the CFA Institute Investment Foundations certification.

### Personal Statement

I am indeed honored for the nomination to serve on the Board of Governors. Since obtaining my CFA charter in 1999, I have dedicated my lifelong passion for the investment industry through my volunteer efforts with CFA Institute. The rich experience I have gained as a local society leader and from various capacities in the exam development process continue to convince me that the CFA charter truly is the gold standard for the investment profession.

As a new addition to the Board of Governors, my primary objective is to support the Board and CFA Institute in ensuring that the CFA charter remains as relevant to every charterholder and candidate in their professional careers as it did when the first charter was issued more than 50 years ago. Today, the infrastructure and knowledge base that builds the CFA program—including all programs of CFA Institute—face significant challenges from technological advancement, evolution of investment practice, and changing investor behavior. I hope to be able to add value to the Board's decisions via applying my deep appreciation of the CFA Program and my 20-year career experience that encompasses retail, private wealth, sovereign wealth, and institutional landscapes primarily in emerging markets.

I am an ardent believer in harnessing the strength of our global member base through increasing communication channels between members to strengthen collaborative opportunities, foster friendships, and promote the common values of CFA Institute together as one voice.

I look forward to serving you as a Governor.



## Second-Term Governor Nominees



### Daniel Gamba, CFA

**Governor Since:** 2015

**Age:** 50

**Country:** United States

**Society Membership:** New York



Independent



Diversity



Leadership



Global



Audit



Human Resources



Investment Management

Branding and Communications

#### 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, since 2017

#### Prior Positions:

- Head of Americas, Institutional iShares Business, BlackRock, New York, New York, United States (2011-2016)
- Regional Head, Latin America and Iberia, BlackRock, New York, New York, United States (2009-2011)
- CEO, Latin America and Caribbean, Barclays Global Investors, San Francisco, California, United States (2004-2009)
- Director of Global Strategy, Barclays Global Investors, San Francisco, California, United States (2000-2003)
- Management Consultant, A.T. Kearney's Financial Institutional Group, San Francisco, California, United States (1997-2000)

#### Board Committee Service:

- Advocacy Working Group (FY2016)
- Audit and Risk Committee (FY2018)
- Planning Committee (FY2016)
- Nominating Committee (FY2016, FY2017)
- Society Partnership Advisory Council (FY2017, FY2018\*)

#### 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
- Board Member, Investment Committee of the Retirement Committee, BlackRock
- Board Member, Northwestern University Alumni Association

#### Education:

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

\* Denotes the governor served as Chair.

**Bio**

Daniel Gamba, CFA, is a managing director, the Global Head of Active Equity Product Strategy, and a member of the Global Operating Committee and Human Capital Committee at BlackRock. Mr. Gamba is responsible for platform strategy, product development, and business activities to drive growth across Active Equities in the Americas, EMEA, and Asia Pacific. Prior to this role, Mr. Gamba was Head of iShares Americas Institutional Business, where he led business strategy, client service, and business development for iShares ETFs in the Americas. Gamba joined Barclays Global Investors (BGI) in 2000, before its merger with BlackRock in 2009. At BGI, he was the chief executive officer of the Latin America and Caribbean business. In this role, he grew business from Latin American clients from nil to over \$40 billion and expanded BGI's footprint into Mexico City; Sao Paulo; Santiago, Chile; and Bogota, Colombia, including local asset management operations. Mr. Gamba began his career with BGI as a director of global strategy. Previously, he was a senior consultant for financial institutions at A.T. Kearney. From 1990 to 1995, Gamba worked in marketing and product management in Latin America. Gamba is a member of the CFA Institute Board of Governors and currently sits as the Co-Chair of the Society Partnership Advisory Council. Previously he was a member of the Executive Advisory Board of the Education Advisory Committee and of the Claritas Advisory Committee. Mr. Gamba is also a board member of the Council of Urban Professionals, supporting the career progression of professional people of color, and a board member of Northwestern University's Alumni Association. Mr. Gamba earned a BS degree in industrial engineering from Pontificia Universidad Católica del Perú in 1989 and an MBA in finance and economics from the Kellogg School of Management at Northwestern University in 1997.

**Personal Statement**

I am honored to be nominated for a second three-year term on the CFA Institute Board of Governors. My first three years were very busy. I served on the Nominating Committee for two years and helped to elevate the process by clarifying and strengthening the criteria sought for all board candidates. Also, I have enjoyed two years on the Society Partnership Council (SPAC), with my last year as co-chair. We have focused on the increased membership gap, the difference between CFA charterholders who become CFA Institute members but not CFA Institute local society members. This issue is especially critical for extra-large (XL) societies whose membership gap is increasing as CFA charterholders demand that local societies and CFA Institute augment employability via continuous professional development, career and networking events, and continuous knowledge delivered using technology. Members are demanding a more modern CFA Institute with increased use of technology to deliver value. If elected, I would like to continue working to close the membership gap by making sure we increase the value delivered to the investment professionals via our local societies, through education, branding, and technology infrastructure delivered by CFA Institute.

Last but not least, given my experience with emerging markets, I would work to continue focusing our board agenda on understanding the much faster candidate growth rates in emerging markets and how to increase the organization's ability not only to attract candidates to study and finish all three levels of the exams but to also become CFA charterholders and investment professionals who want to lead our industry over the long term.



## Zouheir Tamim El Jarkass, CFA

**Governor Since:** 2015

**Age:** 56

**Country:** United Arab Emirates

**Society Membership:** Emirates



Independent



Diversity



Leadership



Global



Audit



Human Resources



Regulatory



Education

### Current Position:

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

### Prior Positions:

- Accounting and Finance Faculty Member, American University of Sharjah, Sharjah, United Arab Emirates
- Accounting and Finance Faculty Member, American University of Beirut, Beirut, Lebanon
- 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, FY2018)
- Compensation Committee (FY2018)
- External Relationship and Volunteer Involvement (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
- Past Member of the CFA Annual Conference Committee
- Past Member of the Middle East Investment Conference Committee

### 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
- BSc Engineering, Beirut Arab University
- Chartered Financial Analyst, CFA Institute

**Bio**

Zouheir Tamim El Jarkass, CFA, is a human capital leader and a senior adviser for learning and development at Mubadala, a business development and investment company in the United Arab Emirates. He is also the chairman of the advisory board of the LAB (Leadership Acceleration for Business), a learning and development partnership between Mubadala and General Electric. Prior to joining Mubadala, Tamim El Jarkass was on the faculty of the School of Business and Management at the American University of Sharjah, a CFA Program Partner. He is the past president of CFA Society Emirates and is its current education chair. Tamim El Jarkass served on the Annual Conference Committee of CFA Institute and on the Middle East Investment Conference Committee. In addition to being on the global council at Queen's School of Business in Canada, he is a member of the advisory board of the School of Business and Management at the American University of Sharjah. Tamim El Jarkass is a past member of the board of trustees of the learning center of the Emirates Securities and Commodities Authority. He has worked over the past 28 years in different capacities in financial services, higher education, executive education, and learning and development in the United Arab Emirates, Canada, Germany, Lebanon, Egypt, and Nigeria. Tamim El Jarkass holds an MSc in research from Henley Business School in the United Kingdom and an MBA from the American University of Beirut.

**Personal Statement**

I am delighted to have the opportunity to serve a second term on the Board of Governors and help advance its mission for the benefit of CFA Institute members and for the ultimate benefit of society. This is a duty I don't take lightly and embrace wholeheartedly.

Our industry still lacks the trust of investors worldwide. The number of CFA charterholders and the number of candidates is increasing around the world; hence the number of people who are educated in ethics and sound investment principles will help improve the trust score around the world. The increased number of candidates and members is a testament that the CFA designation is still relevant today and more than ever before, and we can all help in restoring trust and improving the reputation of the industry. Helping to make this a better world for clients is a major motivation for me to serve on the Board among similar-minded board members.

My involvement with CFA Institute dates back to 2003 as a society president, as well as several other volunteer activities. My belief in the CFA designation led me to coordinate the first CFA Institute university program partner in the Middle East. The number of candidates and charterholders increased significantly as a result. More recently, I led the effort to open a CFA Institute office in the world-renowned Abu Dhabi Global Market (ADGM). I am sure our members will agree with me that these moves can only serve to advance the mission of CFA Institute: to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society. In addition, by having a CFA Institute presence in many parts around the globe allows us to have a bolder voice and improved advocacy efforts in the markets where we have a physical presence.

I have confidence that CFA Institute will continue to have an important role to play in bettering the financial world through its focus on ethics, education, and professional excellence. It is my dream that one day attaining the CFA designation will be a requirement to work in the investment management industry. I believe that I have much to contribute and am eager to be part of this satisfying effort. I look forward to continuing to serve the membership of CFA Institute at large and help advance the noble mission of CFA Institute globally.

## 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 2019 and 2020. Please visit the CFA Institute website to read each governor's bio.

### Governors with Terms Expiring 31 August 2020



#### Leah Bennett, CFA

**Governor Since:** 2017

**Age:** 49

**Country:** United States

**Society Membership:** Houston



#### Current Position:

- President, Westwood Trust, Houston, Texas, United States, since 2018

#### Prior Positions:

- Chief Operating Officer, Westwood Trust, Houston, Texas, United States, since 2016
- 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, Jessie H. Jones Graduate School of Management, Los Angeles, California, United States

#### Board Committee Service:

- Audit and Risk Committee (FY2018)

#### 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



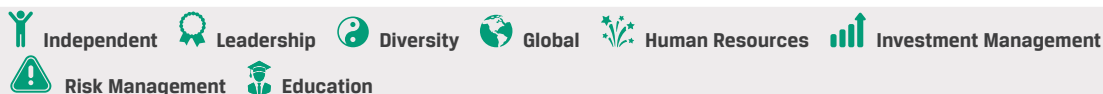
## Yu Hua, CFA

**Governor Since:** 2014

**Age:** 63

**Country:** China

**Society Membership:** Beijing and Shenzhen



### Current Position:

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

### Prior Positions:

- CEO of the Board, Morgan Stanley Huaxin Management Co., Ltd., Shenzhen, China
- 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:

- CEO Search Committee (FY2018)
- External Relations and Volunteer Involvement Committee (FY2015, FY2016)
- Society Partnership Advisory Council (FY2018)
- Board of Governor Liaison, Member Value (FY2017)

### Additional Volunteer Experience:

#### Society

- Board Member, CFA Society Beijing
- Founding Member, CFA Society Shenzhen

### Current Positions on Other Boards:

- Board Member, Asset Management Association of China
- Chair, International Business Committee of the Asset Management Association of China

### Education:

- PhD in Finance, Catholic University of Leuven, Belgium
- Master of Business Administration, Catholic University of Leuven, Belgium
- Bachelor of Arts, Peking University

## Governors with Terms Expiring 31 August 2019

**Robert Jenkins, FSIP****Governor Since:** 2013**Age:** 67**Country:** United Kingdom**Society Membership:** United Kingdom

Independent



Leadership



Global



Audit



Investment Management



Regulatory



Education

**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
- 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 (FY2017\*)
- Board of Governors Chair (FY2018\*)
- CEO Search Committee (FY2018)
- Compensation Committee (FY2018)
- Compensation and Governance Committee (FY2014, FY2015)

- Education Working Group (FY2015)
- Executive Committee (FY2015, FY2016, FY2017, FY2018\*)
- Planning Committee (FY2014, FY2015\*, FY2016\*)
- Nominating Committee (FY2018)
- Board of Governor Liaison, Standards and Advocacy (FY2017)

**Additional Volunteer Experience:****Society**

- Regular Guest Speaker, Member Society Events
- Fellow, CFA Society United Kingdom Management, plc., London, 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

\* Denotes the governor served as Chair.



## Sunil Singhania, CFA

**Governor Since:** 2013

**Age:** 50

**Country:** India

**Society Membership:** India



Independent



Diversity



Leadership



Global



Investment Management



Education

### Current Position:

- Founder, Abakkus Asset Managers, LLP, Mumbai, India, since 2018

### Prior Positions:

- Global Head, Equity Investments, Reliance Capital Ltd, Mumbai, India
- Chief Investment Officer, Equity Investments, Reliance Nippon Life Asset Management Ltd., 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, FY2018\*)
- Nominating Committee (FY2018)
- 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, CFA Society India

### 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

\* Denotes the governor served as Chair.





## Maria Wilton, CFA

**Governor Since:** 2018\*\*

**Age:** 53

**Country:** Australia

**Society Membership:** Melbourne



Independent



Diversity



Leadership



Global



Audit



Human Resources



Investment Management



Risk Management



Regulatory

### Current Positions:

- Advisor, Franklin Templeton Investments Australia Limited, Melbourne, Australia, since January 2018

### Prior Positions:

- Managing Director and Chairman, Franklin Templeton Investments Australia Limited, Melbourne, Australia, 2006-2018
- Associate Director and Portfolio Manager, BT Financial Group (formerly Rothschild/Sagitta), Melbourne, Australia
- Associate Director and Portfolio Manager, County Investment Management, Melbourne, Australia
- Economist and Portfolio Manager, J.P. Morgan Investment Management, Melbourne, Australia

### Additional Volunteer Experience:

#### CFA Institute

- Conference Speaker
- Member, CFA Advocacy Council
- Chair, National Diversity Committee

### Bio

Maria Wilton, CFA, is an Advisor to Franklin Templeton Investments Australia, having retired as Managing Director and Chair of the Franklin Templeton Investments Australia Board and the Balanced Equity Management Board in January 2018. She had responsibility for leading the strategic direction of Franklin Templeton's A\$17.8bn business in Australia and New Zealand and management responsibility for the Institutional and Retail Sales, Client Service, and Marketing Team. Ms. Wilton was formerly with BT Financial Group, County Investment Management, and J.P. Morgan Investment Management in investment and business roles. Before joining the investment management industry, she worked for the Commonwealth Treasury in an economic research capacity. Ms. Wilton is Deputy Chair of Infrastructure Victoria, a Director of Victorian Funds Management Corporation, and Chair of the Industry Advisory Board of the Australian Centre for Financial Studies. She was a Director of the Financial Services Council, Melbourne Water, the Transport Accident Commission, Victoria Legal Aid (including Chair of the Audit Committee), and the National Breast Cancer Foundation. Ms. Wilton was a Trustee Director of the Australian Government Employees Superannuation Trust and Emergency Services and State Super and a Member of both Investment Committees. Ms. Wilton is a CFA charterholder, a Fellow of the Australian Institute of Superannuation Trustees, and a Fellow of the Australian Institute of Company Directors. She holds a Bachelor of Economics from the University of Tasmania.

### Personal Statement

With a thirty-year career in investment management spanning investing and business roles, I am pleased and honoured to be able to make a contribution to CFA Institute as a Member of the Board of Governors.

Improving outcomes for investors is a driving motivation, and while investment markets can be unpredictable, we all need to use our skills and experience to ensure that clients make good decisions and receive the best possible outcomes. The success of our industry in achieving these results is a key driver of the standard of living of so many people in retirement, during their working lives, and in the educational opportunities they can provide for their children.

Building trust and confidence in the investment management industry is a key component of success, and while governance standards globally are improving, we need to do more to ensure positive relationships with regulators and policy makers and improve the standing of the industry. The role of investment management in capital markets and our economies more generally is vital, and investment stewardship is a key area of interest of mine.

In my experience, collaboration between industry, regulators, and academia is central to positive outcomes. I look forward to sharing best practices, trends, and opportunities with my CFA charterholder colleagues and working with the CFA Institute family— the organization, our local societies, the Board of Governors, CFA charterholders, and aspiring charterholders— to help our clients reach their goals.

\*\* Maria Wilton, CFA, was appointed by the Board of Governors to serve out the remainder of the term vacated by Elizabeth Corley, FSIP, CBE. Ms. Wilton formally joined the Board of Governors on 1 March 2018.

## President and CEO



### Paul Smith, CFA

**Governor Since:** 2015

**Age:** 58

**Country:** United States

**Society Membership:** Hong Kong and Virginia



Leadership



Global



Audit



Investment Management



Human Resources



Branding and Communications

#### 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, FY2018)
- 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 following governors have terms that expire at the end of the fiscal year or are departing prior to the end of their respective terms. 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.



### Elizabeth Corley, FSIP, CBE

**Governor Since:** 2016\*\*

**Age:** 61

**Country:** United Kingdom

**Society Membership:** United Kingdom



Independent



Diversity



Leadership



Global



Audit



Human Resources

#### 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 Managers, London, United Kingdom

#### Board Committee Service:

- Nominating Committee (FY2017, FY2018)

#### Additional Volunteer Experience:

##### CFA Institute

- Member, Future of Finance Council

##### Society

- Fellow, CFA Society of the United Kingdom

#### Current Positions on Other Boards:

- Member, Advisory Council, TheCityUK
- 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
- Non-Executive Director, Morgan Stanley

#### Education:

- Honorary Doctorate, London Institute of Banking and Finance

*\*\* Elizabeth Corley, FSIP, CBE, formally stepped down from the Board of Governors on 31 January 2018.*



## Frédéric P. Lebel, CFA

**Governor Since:** 2011

**Age:** 49

**Country:** Switzerland

**Society Membership:** Switzerland



Independent



Leadership



Global



Audit



Investment Management

### Current Position:

- Managing Partner of HFS Hedge Fund Selection S.A., Founex, Switzerland

### Prior Positions:

- Co-CEO and CIO of OFI MGA, Paris and Geneva, Switzerland
- Executive Vice President, 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)
- CEO Search Committee (FY2018)
- Compensation Committee (FY2017, FY2018\*)
- Compensation and Governance Committee (FY2015, FY2016)
- Executive Committee (FY2014, FY2016, FY2017\*, FY2018)
- External Relations and Volunteer Involvement Committee (FY2012)
- Governance Working Group (FY2016)
- Nominating Committee (FY2017, FY2018\*)
- Planning Committee (FY2014\*, FY2015)

### Current Positions on Other Boards:

- 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.



## Colin McLean, FSIP

**Governor Since:** 2013

**Age:** 65

**Country:** United Kingdom

**Society Membership:** United Kingdom



Independent



Diversity



Leadership



Global



Audit



Investment Management



Risk Management



Branding and Communications



Education

### 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\*)

### Additional Volunteer Experience:

#### CFA Institute

- Past Member, Investment Fundamentals Certificate Advisory Committee
- Trustee, CFA Institute Research Foundation
- Co-Author, CFA Program 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 and 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

\* Denotes the governor served as Chair.



## Mark Lazberger, CFA

**Governor Since:** 2012

**Age:** 56

**Country:** Australia

**Society Membership:** Sydney



Independent



Leadership



Global



Audit



Human Resources



Investment Management

### Current Position:

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

### Prior Positions:

- President, International and Executive Vice President, State Street Global Advisors
- 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

### 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



## George Spentzos, CFA, FSIP

**Governor Since:** 2015

**Age:** 54

**Country:** United Kingdom

**Society Membership:** France and United Kingdom



Independent



Leadership



Global



Investment Management



Risk Management



Branding and Communications



Education

### Current Position:

- Director, LNG Capital, London, United Kingdom, since 2015

### Prior Positions:

- Managing Director, Financial Institutions Group, 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, FY2018)
- Education Working Group (FY2015)
- Governance Working Group (FY2016)
- Investment Committee (FY2018)
- Nominating Committee (FY2011, FY2012)
- Board of Governor Liaison, Member Value (FY2017)

### Additional Volunteer Experience:

#### **CFA Institute**

- Past Chair and Member, CFA Institute Council of Examiners
- CFA Program Exam Grader
- CFA Program Level I and II Curriculum Author
- Member, Candidate Curriculum Committee

#### **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



## Lynn Stout

**Governor Since:** 2014\*\*

**Age:** 60

**Country:** United States

Independent
 Leadership
 Diversity
 Audit
 Regulatory
 Investment Management
 Education

### 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)

### Current Positions on Other Boards:

- Founder and Chair, the Ethical Shareholder Initiative
- Member, Board of Advisors, Aspen Institute Business and Society Program
- Member, Board of Advisors, *Accounting, Economics, and Law*
- Member, Financial Research Advisory Committee to the US Treasury, Financial Stability Oversight Council

### Education:

- Juris Doctorate, Yale Law School
- Master of Public Affairs, Princeton University
- Bachelor of Arts, Princeton University

\*\* Lynn Stout will be formally stepping down from the Board of Governors on 31 August 2018.

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 15 members—14 independent governors who serve in a volunteer capacity plus the President and CEO. They are from 7 countries: Australia, China, India, Switzerland, 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 the [governor selection criteria](#) established by the Board; priority skill sets identified by the Board for the upcoming cycle; investment industry, governance, and leadership experience; commitment to CFA Institute and participation in 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

**3.12**  
YEARS

### GENDER DIVERSITY

**67%**  
MEN

**33%**  
WOMEN

### REGIONAL REPRESENTATION

#### AMERICAS

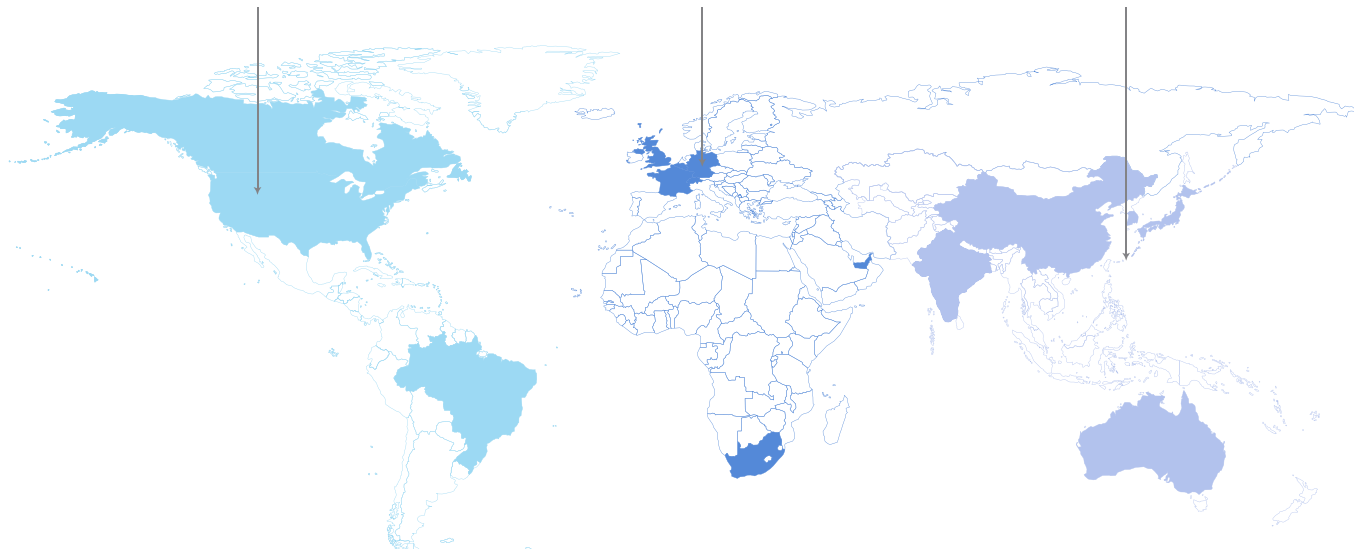
**40%**

#### EUROPE, MIDDLE EAST & AFRICA

**33%**

#### ASIA PACIFIC

**27%**



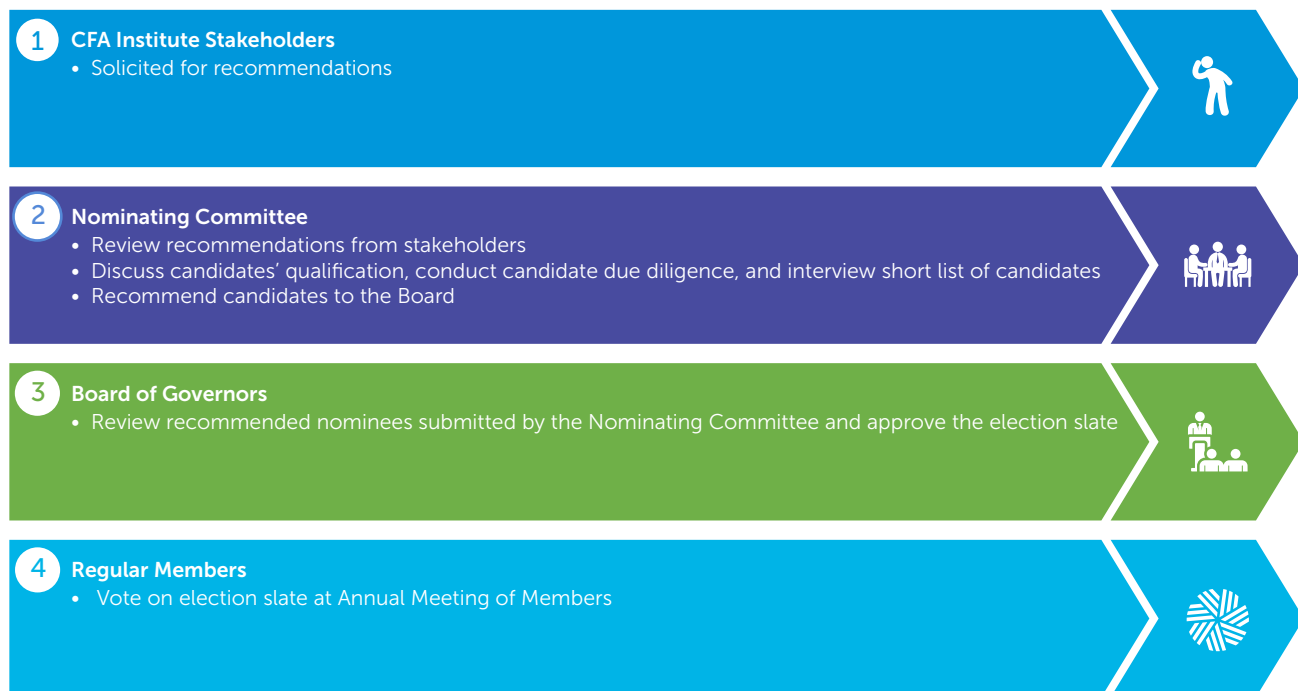
The above statistics refer to the Fiscal Year 2018 Board of Governors.

When considering individuals for nomination or re-nomination to the Board, the Nominating Committee (NC) reviews the guidance 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.

The NC works to continuously enhance the nominations process. This past cycle, we introduced process improvements based on feedback we received and industry best practices, including a new online application platform and increased candidate status communications. We encouraged you to contact us with comments by emailing [governance@cfainstitute.org](mailto:governance@cfainstitute.org).

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.

A CEO Search Committee has been established to begin the process of identifying the next incoming CEO to take place in 2020.

## 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 & 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

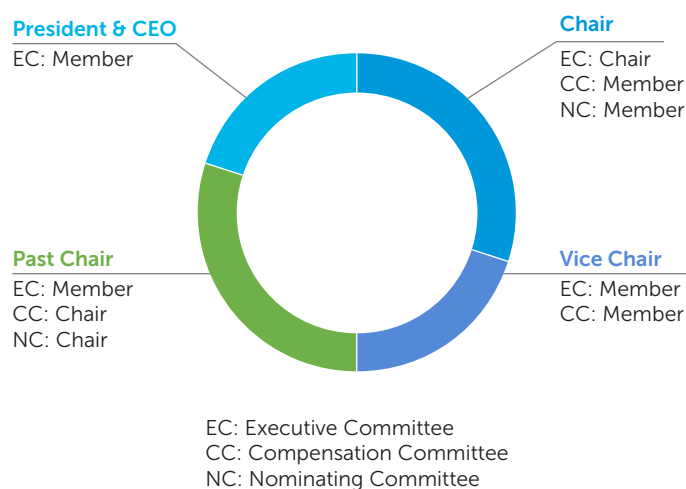
## Board Leadership

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 14 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 has 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 Committees

The Board utilizes the following committees to assist with the fulfillment of its oversight functions: Executive Committee, CEO Search 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 2018 Committees	Voting Members	Roles and Responsibilities
<b>Executive Committee</b> The Committee <a href="#">Charter</a> is posted on our website.	<b>Board Members</b> <ul style="list-style-type: none"> <li>Robert Jenkins, FSIP (Chair)</li> <li>Heather Brilliant, CFA</li> <li>Frederic Lebel, CFA</li> <li>Diane Nordin, CFA</li> <li>Paul Smith, CFA</li> </ul>	<ul style="list-style-type: none"> <li>Managing the Board's functions and operations</li> <li>Establishing and maintaining the lines of reporting and responsibility among Board committees, the Board, and management</li> <li>Promoting sound Board and organizational governance and Board effectiveness, including recommendations to the Board</li> <li>Providing oversight of the organization's implementation of and adherence to US public company standards</li> <li>Evaluating the performance of the Board and its other committees</li> <li>Providing oversight of and accountability to Board-related budget items and expenses</li> </ul>
<b>CEO Search Committee</b> The Committee Charter is pending approval by the Board of Governors.	<b>Board Members</b> <ul style="list-style-type: none"> <li>Diane Nordin, CFA (Chair)</li> <li>Heather Brilliant, CFA</li> <li>Robert Jenkins, FSIP</li> <li>Frederic Lebel, CFA</li> <li>Yu Hua, CFA</li> </ul>	<ul style="list-style-type: none"> <li>Developing, under the advice of the selected search consultant, the criteria to be used by the Committee to evaluate candidates and recommend a candidate to the CFA Institute Board of Governors for approval</li> <li>Coordinating the recruitment and evaluation of candidates, both internal and external, to receive nominations, to assess the suitability of candidates, and to interview candidates</li> <li>Reporting the progress of the Committee's work at each Board meeting.</li> <li>Submitting its recommendation to the Board within the 18- to 24-month timeline</li> </ul>
<b>Compensation Committee</b> The Committee <a href="#">Charter</a> is posted on our website.	<b>Board Members</b> <ul style="list-style-type: none"> <li>Frederic Lebel, CFA (Chair)</li> <li>Heather Brilliant, CFA</li> <li>Robert Jenkins, FSIP</li> <li>Zouheir Tamim El Jarkass, CFA</li> </ul>	<ul style="list-style-type: none"> <li>Setting appropriate compensation and succession planning policies for CFA Institute</li> <li>Evaluating the performance of the President and CEO and setting CEO compensation</li> <li>Reviewing the compensation and all related plans, policies, and programs of the executive officers of CFA Institute</li> </ul>
<b>Nominating Committee</b> The Committee <a href="#">Charter</a> is posted on our website.	<b>Board Members</b> <ul style="list-style-type: none"> <li>Frederic Lebel, CFA (Chair)</li> <li>Elizabeth Corley, FSIP, CBE*</li> <li>Robert Jenkins, FSIP</li> <li>Sunil Singhania, CFA</li> </ul> <b>Non-Board Members</b> <ul style="list-style-type: none"> <li>Julio Cardozo, CFA</li> <li>Philip Graham, CFA</li> <li>Kenneth Yee, CFA</li> </ul>	<ul style="list-style-type: none"> <li>Annually proposing Board nominees for the positions of governor whose terms are expiring and for the positions of Chair and Vice Chair</li> <li>Seeking and identifying nominees with the skill sets and diversity of characteristics appropriate to generate a properly balanced Board</li> <li>Carrying out all activities required by the Awards Policy, specifically the identification, vetting, and selection of award nominees</li> </ul>
<b>Audit and Risk Committee</b> The Committee <a href="#">Charter</a> is posted on our website.	<b>Members</b> <ul style="list-style-type: none"> <li>Diane Nordin, CFA (Chair)</li> <li>Leah Bennett, CFA</li> <li>Daniel Gamba, CFA</li> <li>George Spentzos, CFA, FSIP</li> <li>Zouheir Tamim El Jarkass, CFA</li> </ul>	<ul style="list-style-type: none"> <li>Overseeing financial and audit systems</li> <li>Overseeing processes for monitoring compliance as it relates to financial integrity</li> <li>Evaluating and monitoring risks</li> <li>Appointing, evaluating, compensating, and, if appropriate, terminating the independent auditor</li> </ul>
<b>Investment Committee</b> The Committee <a href="#">Charter</a> is posted on our website.	<b>Members</b> <ul style="list-style-type: none"> <li>Sunil Singhania, CFA (Chair)</li> <li>George Spentzos, CFA, FSIP</li> </ul> <b>Non-Board Members</b> <ul style="list-style-type: none"> <li>Bob Dannhauser, CFA</li> <li>Bjorn Forfang</li> <li>Steven Gattuso, CFA</li> </ul>	<ul style="list-style-type: none"> <li>Providing strategic direction and oversight of the CFA Institute reserves</li> </ul>
<b>Society Partnership Advisory Council (SPAC)</b> The Council <a href="#">Charter</a> is posted on our website.	<b>Members</b> <ul style="list-style-type: none"> <li>Daniel Gamba, CFA (Co-Chair)</li> <li>Yu Hua, CFA</li> </ul> <b>Non-Board Members</b> <ul style="list-style-type: none"> <li>Daniel Fasciano, CFA (Co-Chair)</li> <li>Lamees Al-Baharna, CFA</li> <li>James Bailey, CFA</li> <li>Emily Dunbar</li> <li>Bjorn Forfang</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring and providing guidance on projects impacting Member Society strategy and support</li> <li>Reviewing and providing feedback on the status and effectiveness of internal engagement with Member Societies</li> </ul>

\* Elizabeth Corley, FSIP, CBE, formally stepped down from the Board of Governors on 31 January 2018.

## Fiscal Year 2017 Board and Committee Meetings Held and Member Attendance

In fiscal year 2017, the Board met fourteen times, and average attendance at the Board meetings was 87%. 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 2017.

Governors	Board (14 Meetings)	Executive Committee (10 Meetings)	Compensation Committee (9 Meetings)	Nominating Committee (15 Meetings)	Audit and Risk Committee (15 Meetings)	Investment Committee (5 Meetings)	Society Partnership Advisory Council (5 Meetings)
Heather Brilliant, CFA	12						5*
Elizabeth Corley, FSIP, CBE	11			9			
Daniel Gamba, CFA	14			12			5
Robert Jenkins, FSIP	13	9			8**		
Beth Hamilton-Keen, CFA	13	9	9*	15*			
Attila Koksai, CFA	13						
Mark Lazberger, CFA	12		9				
Frederic Lebel, CFA	13*	10*	9	12			
Colin McLean, FSIP	13	10	9				
Diane Nordin, CFA	13				13*		
Scott Proctor, CFA	10				7**		
Sunil Singhania, CFA	12				9	2	
Paul Smith, CFA	13	9					
George Spentzos, CFA, FSIP	12				14		
Lynn Stout	12				1**		
Zouheir Tamim El Jarkass, CFA	12				12**	5*	
Michael Trotsky, CFA	12						
Yu Hua, CFA	10						

\* Board and/or Committee Chair

\*\* Robert Jenkins, FSIP (ARC Chair, 30 January 2017 – 31 August 2017)

Scott Proctor, CFA (ARC Chair, 1 September 2016 – 20 January 2017)

Lynn Stout (ARC Member, 1 September 2016 – 17 October 2016)

Zouheir Tamim El Jarkass, CFA (ARC Member, 17 October 2016 – 31 August 2017)

## 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 2017 in connection with Board members' attendance at meetings of the Board and its committees.

Category	Board Meetings	Outreach Activities	Total Category
Transportation	\$309,702	\$212,433	\$522,135
Lodging & Meals	\$236,561	\$55,320	\$291,881
<b>Total Expense</b>	<b>\$546,263*</b>	<b>\$267,753</b>	<b>\$814,016</b>

\* In fiscal year 2017, the Board and/or its committees held in-person meetings in Charlottesville, Dubai, and Bangkok.

# CORPORATE GOVERNANCE

## US Public Company Standards

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.

The 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 depth and perspective specific to CFA Institute 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 market-based metrics that are typically used in public company incentive compensation programs; 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 understanding and managing risk enables CFA Institute to meet our strategic objectives and advance our mission. Management is responsible for the day-to-day assessment and management of the risks we face, while the Board, as a whole and through the Audit and Risk Committee (ARC), has responsibility for the oversight of risk management. In its risk oversight role, the ARC, which consists of at least three members and is required to meet at least four times a year, is responsible for determining that the risk governance framework and guidelines and the policies and processes for monitoring and mitigating risk used by management are adequate to their purpose. Risk Management lives in the Compliance, Risk & Ethics Division, headed by the Chief Compliance, Risk & Ethics Officer, who reports dually to the CEO and ARC.

To support integration of risk management throughout the business, two regional risk management positions have been established, one in APAC and the other in EMEA offices, each shared with Legal and Compliance & Ethics, providing more locally focused risk management in those regions.

CFA Institute regularly benchmarks its Enterprise Risk Management program and has seen positive movement along the maturity scale over time. Work is ongoing to implement opportunities for improvement identified in the most recent assessment, conducted in FY2016, including an update of the organization’s risk appetite statement.



The work of the risk management function is supported by the internal Risk Management Committee (RMC), an inter-departmental group composed of individuals with insight into risks facing CFA Institute. The RMC meets approximately quarterly to analyze risk, understand and review risk management activities, and make recommendations.

In fiscal year 2017, Risk Management did not conduct a compensation risk assessment.

## Compliance and Ethics

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A commitment to ethical conduct is essential to our philosophy of excellence. We have adopted a Compliance & Ethics framework to uphold the highest standards of business ethics; to foster compliance with applicable laws, regulations, and organizational policies; and to prevent, detect, report, and address any allegations of misconduct. Compliance & Ethics lives in the Compliance, Risk & Ethics Division, headed by the Chief Compliance, Risk & Ethics Officer, who reports dually to the CEO and ARC. Our day-to-day Compliance & Ethics global operational leader partners locally with two regional positions in APAC and EMEA, each shared with Legal and Risk Management, to strengthen and support decentralized compliance risk ownership across the organization. In its second year since establishment, the Compliance & Ethics program has begun work on a three-year roadmap to meet the recommendations of a robust framework assessment conducted in FY16 to ensure proper prioritization, resourcing, and strategy for the program to support our global business operations.

The CFA Institute Code of Conduct and Code of Ethics apply to all of 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 also addresses specific standards of conduct such as conflicts of interest, confidentiality, corporate opportunities, and reporting obligations.

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

# AUDIT MATTERS

## Audit and Risk Committee Report

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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 2018

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Diane Nordin, CFA (Chair)  
 Leah Bennett, CFA  
 Daniel Gamba, 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: Leah Bennett, CFA; Daniel Gamba, CFA; and Diane Nordin, CFA.

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

In performing its oversight function, the Audit and Risk Committee held 15 meetings (3 in-person and 12 teleconferences) in fiscal year 2017. The ARC met with management and PricewaterhouseCoopers LLP (PwC) to discuss the audit of the consolidated financial statements as of and for the periods ended 31 August 2017 and 2016. The ARC subsequently met in executive session with PwC to discuss matters required under auditing standards generally accepted in the United States, including those matters set forth in AICPA AU-C Section 260, *The Auditor's Communication with Those Charged with Governance*. PwC made all required auditor communications and provided all required disclosures regarding their independence from CFA Institute to the ARC.

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

Based on the review and discussions noted above, the ARC recommended to the Board that the audited CFA Institute Consolidated Financial Statements as of 31 August 2017 and 2016 be included in the annual report.

As part of the Committee's oversight of organizational risk, cybersecurity risk and mitigation were monitored.

## Appointment of the Independent Public Accounting Firm

The Audit and Risk Committee has appointed PricewaterhouseCoopers LLP as the organization's independent public accounting firm for fiscal year 2018. The Audit and Risk Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interest of CFA Institute and its members.

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

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

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

PricewaterhouseCoopers LLP has been the organization's independent auditor since 2002.

## Fees Paid to PricewaterhouseCoopers LLP

The following is a summary and description of fees for services provided by PwC for fiscal years ended 31 August 2017 and 2016 (in thousands):

	2017	2016
Audit <sup>(a)</sup>	\$363	\$339
Audit related <sup>(b)</sup>	43	36
Tax <sup>(c)</sup>	247	230
Total	\$653	\$605

(a) Aggregate fees for professional services rendered for the integrated audit of the consolidated financial statements of CFA Institute, the standalone financial statements of the CFA Institute Research Foundation, and, as required, statutory audits of various international subsidiaries.

(b) Fees for professional services rendered for the 401(k) audit for CFA Institute standalone.

(c) Aggregate fees for professional services rendered for informational and tax return preparation and filing and tax advice relating to domestic and international issues.

## Audit and Risk Committee Pre-Approval Policies and Procedures

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

# COMPENSATION DISCUSSION AND ANALYSIS

## Philosophy and Objectives of Our Executive Compensation Program

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

We apply the same compensation principles for our executives as we do for 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 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 judgement. The Committee meets frequently 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 incentive, and the group may engage external independent consultants to provide necessary compensation analysis and 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. Other than the CEO, both the Chief Compliance, Risk & Ethics Officer (CCREO) and the General Counsel/Chief Legal Officer (CLO) report to the Board, and their compensation is reviewed and approved by the CC.

Mission alignment and performance are 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 not only progress toward these goals but also the degree to which our executives exhibit critical leadership capabilities in how they progress toward these goals. This better enables us to assess and calibrate overall 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.

### GOVERNANCE MEASURES

- ✓ Appointment of a Compensation Committee (CC) comprised solely 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
- ✓ The CEO does not participate in CC deliberations concerning CEO compensation

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, and periodically with the whole Board, 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 CCRO and CLO.

He or she 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 or she 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 or her assessment of each executive's individual performance and his or her compensation recommendations with the CC before implementing his or her decisions.

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

## Benchmarking

We retained a global management consulting firm to conduct the 2017 executive market survey. The study is conducted 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 Institutes for Research in the Behavioral Sciences
- American Institute of Certified Public Accountants
- American Petroleum Institute
- The Brookings Institution
- 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 above list represents comparables used in the 2014 executive study and is not meant to be exhaustive.

Not-for-Profit	Investment Management	Academia/Higher Education	General Industry
Peer companies are 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 global markets in which our offices are located.
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.

## Risk Provisions for Incentive Compensation for Executives

Under the guidance of the CC, we have adopted 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.

The Executive Officer Incentive Compensation Issuance 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 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 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 policy affects incentive compensation granted or paid during the last year 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.

## Compensation Pay Elements

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

Pay Component	Purpose	2017 Compensation Actions
<b>Annual Base Salary</b> 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 9.5% salary increase effective 1 November 2017 was approved for the Chief Compliance, Risk & Ethics Officer  Salaries of all other executives stayed the same
<b>Annual Incentive Plan</b> Offers opportunities that are set as a percentage of base salary  President and CEO may earn up to 100% of base salary  The Deputy Chief Executive Officer 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 2017 was determined by the Compensation Committee of the Board at 80% of base salary  The fiscal year 2017 incentive for the Deputy Chief Executive Officer was 60% of base salary  Annual incentives for all other managing directors for fiscal year 2017 ranged from 28% to 48%  The average managing director incentive awarded was approximately 40%

## 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 all 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 a 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 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 post-employment compensation based on particular 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 policy for executives would include a benefit equal to four 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.



## Compensation Summary Table for Top Executives

The following table provides three-year compensation information for CFA Institute executives who served on the Leadership Team for fiscal year 2017 (sorted by 2017 earnings). The amounts shown are in USD.

Name and Position	Fiscal Year	Base Salary <sup>1</sup>	Incentive <sup>2</sup>	LTI <sup>3</sup>	Retirement Restoration <sup>4</sup>	Retirement Plan Contribution <sup>5</sup>	Other <sup>6</sup>	Total <sup>7</sup>
<b>Paul Smith, CFA<sup>8,9,11</sup></b> President & CEO	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
	2017	\$598,059	\$480,000			\$130,564		\$1,208,623
<b>Bjorn Forfang</b> Deputy CEO (hired 16 May 2016)	2015							
	2016	\$138,542	\$55,699					\$194,241
	2017	\$475,000	\$285,000		\$40,400	\$36,550	\$10,640	\$847,590
<b>Chris Ainsworth</b> MD, Chief Human Resources Officer (hired 19 June 2017)	2015							
	2016							
	2017	\$61,364	\$25,000			\$3,000	\$115,899	\$205,263
<b>Gary Baker<sup>10,11</sup></b> MD, EMEA & Research (hired 19 Sep. 2016)	2015							
	2016							
	2017	\$302,359	\$117,522			\$22,880		\$442,761
<b>Diane Basile</b> Chief Financial Officer (hired 17 Jan. 2017)	2015							
	2016							
	2017	\$208,212	\$80,000			\$12,950	\$84,794	\$385,956
<b>John Bowman, CFA</b> MD, Americas	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
	2017	\$295,000	\$82,600		\$13,099	\$32,400	\$20,859	\$443,958
<b>Elaine Cheng</b> MD, Information Technology & Chief Information Officer	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
	2017	\$295,000	\$115,000		\$17,090	\$32,400		\$459,490
<b>Michael Collins</b> MD, Service Delivery (hired 13 Jan. 2016)	2015							
	2016	\$178,182	\$70,882			\$14,208	\$79,901	\$343,173
	2017	\$280,000	\$134,400		\$5,920	\$32,400		\$452,720
<b>Darin Goodwiler</b> MD, Chief Compliance, Risk & Ethics Officer (hired 21 Sep. 2015)	2015							
	2016	\$198,864	\$69,473			\$23,719	\$86,573	\$378,628
	2017	\$210,000	\$84,000		\$2,880	\$32,400		\$329,280
<b>Steve Horan, CFA, CIPM</b> MD, Credentialing	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
	2017	\$300,000	\$114,000		\$18,083	\$32,400		\$464,483
<b>Sheri Littlefield</b> MD, General Counsel & Chief Legal Officer (hired 17 June 2015)	2015	\$59,318					\$60,000	\$119,318
	2016	\$290,000	\$101,500		\$9,743	\$31,800	\$60,543	\$493,586
	2017	\$290,000	\$102,000		\$15,282	\$32,400		\$439,682
<b>Donna Marshall</b> MD, Human Resources (retired 31 Dec. 2016)	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
	2017	\$103,667				\$11,903	\$94,852	\$210,422
<b>Nitin Mehta, CFA<sup>10,11</sup></b> MD, Member Value (retired 31 Dec. 2017)	2015	\$331,639	\$115,192	\$32,912		\$71,961		\$551,704
	2016	\$322,093	\$105,684	\$30,195		\$82,040	\$102,622	\$642,634
	2017	\$265,154	\$90,081		\$54,909		\$16,670	\$426,814

Name and Position	Fiscal Year	Base Salary <sup>1</sup>	Incentive <sup>2</sup>	Retirement LTI <sup>3</sup>	Retirement Restoration <sup>4</sup>	Retirement Plan Contribution <sup>5</sup>	Other <sup>6</sup>	Total <sup>7</sup>
<b>Nick Pollard<sup>9, 11</sup></b> MD, APAC (hired 18 Apr. 2016)	2015							
	2016	\$120,068	\$36,061			\$20,176	\$12,007	\$188,312
	2017	\$324,367	\$129,934			\$58,270	\$34,552	\$547,123
<b>Kurt Schacht, CFA</b> MD, Advocacy	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
	2017	\$370,800	\$129,780		\$28,662	\$32,400	\$14,390	\$576,032

## 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 Committee decided to eliminate the executive LTI program at CFA Institute. In July 2016, the Committee 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 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. U.S. Annual Compensation cap for 401(k) contributions was \$260,000 for calendar year 2015, \$265,000 for calendar year 2016, and \$270,000 for calendar year 2017. 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 the 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 CFA Institute Investment Foundations Program), from the London office. Mr. Bowman repatriated back to the U.S. 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. 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-on and lump sum relocation payments of \$60,000 for Ms. Littlefield in 2015, \$50,000 for Mr. Collins in 2016, \$35,000 for Mr. Goodwiler in 2016, \$115,000 for Mr. Ainsworth in 2017, and \$70,000 for Ms. Basile in 2017. A one-time special bonus of \$35,000 was awarded to Donna Marshall in 2015 to compensate for an interim assignment related to CEO transition.

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			Kurt Schacht			Donna Marshall			Nitin Mehta			Steve Horan			John Bowman			Elaine Cheng			Sheri Littlefield			Darin Goodwillier			Michael Collins			Nick Pollard			Diane Basile			Chris Ainsworth			Bjorn Forfang			Gary Baker																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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Bonus (Sign-On, Other)	\$30,228							\$35,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
Group-Term Life				\$9,393	\$9,884	\$2,722	\$7,005	\$2,722					\$1,530	\$1,054	\$1,180	\$1,116	\$1,116	\$1,697	\$1,459		\$50,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
Long Term Disability				\$2,262	\$2,262	\$6,277	\$1,897	\$6,277					\$1,830	\$1,678	\$1,800	\$1,708	\$1,708	\$1,210	\$1,068																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
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Tax Gross Up	\$30,753						\$31						\$5,755	\$4,529	\$4,768	\$11,762	\$187																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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(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 the managing director for CFA Institute Asia-Pacific operations. The data for fiscal year 2015 reflects combined earnings of both the positions he held in fiscal year 2015.

(9) Mr. Smith and Mr. Pollard are paid in Hong Kong dollars. The USD equivalents are shown in the table above. HKD to USD conversion rates used in 2015, 2016, and 2017 are 0.130, 0.129, and 0.129, respectively.

(10) Mr. Baker and Mr. Mehta are paid in British Pounds. The USD equivalents are shown in the table above. GBP to USD conversion rates used in 2015, 2016, and 2017 are 1.584, 1.442, and 1.266, respectively.

(11) The Treasury team at CFA Institute obtains and averages daily data pulls from Bloomberg for the fiscal year to provide conversion rates.

# DIVERSITY AND CITIZENSHIP

## Diversity

In FY17, the organization hired external diversity consultants to assist with an initial assessment of diversity and inclusion and provide the basis for an action plan. This work was based on the Global Diversity and Inclusion Benchmarks (GDIB) created by the Centre for Global Inclusion. A volunteer team of staff, led by executive sponsors Steve Horan and Elaine Cheng, focused efforts on six areas:

- Diversity and Inclusion (D&I) Vision, Strategy, and Business Case
- Leadership and Accountability
- Recruitment, Retention, Development, and Advancement
- D&I Learning and Education
- Assessment, Measurement, and Research
- Products and Services Development

In FY18, the organization established a formal Diversity & Inclusion Council to develop a vision and roadmap. This diverse group of staff members comes from five offices around the globe.

Work on recruitment and advancement included establishing baseline metrics: providing internal and external candidate slates with 30% diversity, increasing our Global D&I Benchmark score from Level 2 (reactive) to Level 3 (proactive), and targeting a 30% goal for female representation on the Leadership Team.

Educational opportunities have been offered focusing on promoting inclusion and increasing awareness. A Diversity Hub was implemented on our intranet site to provide a central source of information about the internal CFA Institute Diversity & Inclusion initiative. Other activities have included book clubs in every office, Leadership Team training sessions to increase D&I competency, and a 90-minute LGBTQ Sensitivity Workshop held in Charlottesville and recorded for other offices. The workshop offered a foundational level of understanding about the LGBTQ (lesbian, gay, bisexual, transgender, and queer) community and the necessary components of an inclusive work environment.

In January 2018, CFA Institute launched its first three employee-led Business Resource Groups: LGBTQ, Minorities, and Women. Our aim from these groups is to bring diverse perspectives from within the organization, which in turn will help achieve strategic goals. Each group is led by an executive sponsor, and employees were invited to volunteer for groups where their experience and interests aligned directly or where they considered themselves an ally. Each group received significant interest and participation.

Externally, CFA Institute continues to be a leading voice on diversity and inclusion in investment management, particularly through the volunteer-driven [Women in Investment Management Initiative](#). The initiative's 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.

In FY17, we established the Women's Scholarship Program for women around the world who are committed to pursuing the CFA charter. This successful initiative awards 500 CFA Program scholarships each year and is especially aimed at women who are seeking career advancement in investment management. We also became a sponsor of Forté Foundation, which awards \$142 million in fellowships to 6,000 MBA women and has 95,000 members.

Nearly 40 societies globally have participated in the Women in Investment Management Initiative, and a global conference each year brings together top speakers to discuss the business case for diversity and strategies for success. CFA Institute spokespeople have been quoted extensively in the media since the initiative began. Research fueled by a survey of more than 5,000 CFA Institute members has been the foundation for a series of academic working papers on subjects ranging from the importance of role models for children entering the STEM (science, technology, engineering, and mathematics) and finance fields to the impact that math education has on the number of women who are CFA charterholders by market. Our work has also been cited by Morningstar's *Fund Managers by Gender 2016* and Credit Suisse's *Assembling a Dream Team: How Gender Diversity Can Strengthen Your Team*.

In FY18 we also began a series of industry roundtables to gather best practices and lessons learned about diversity and inclusion. The discussions leverage the GDIB, and the overall project is guided by a Steering Council of prominent industry leaders. Findings will be published in September 2018.

## Corporate Citizenship

The mission of CFA Institute encompasses serving not only our members and charterholders but also our broader communities. We work for “the ultimate benefit of society,” and the Corporate Citizenship team seeks to ensure that our internal operations align with the highest standards of ethics that we embody as an organization. Established in FY16, Corporate Citizenship has created the foundation for a program that enhances our global communities, promotes employee engagement and retention, increases brand awareness, builds our organization’s reputation, and promotes sustainability and corporate social responsibility.

In FY17, we commissioned an external benchmarking survey to establish our positioning relative to our peers in the professional membership services space and to the members we serve in the financial services industry. The results showed that CFA Institute is “the leader among the profiled professional membership organizational peers with its Corporate Citizenship efforts . . . [and that our] efforts are on track to closely parallel the best practices of the leading financial services firms, and Bloomberg LP, in strategies, activities and programs, volunteerism, engagement, and focus on ESG principles.”

Our increasing community presence stands as one such practice. In FY17, we continued our Strategic Community Partnership with the Center for Nonprofit Excellence and launched a new partnership with Charlottesville High School. Through these partnerships, we can provide the people in these organizations with enhanced investor education by leveraging CFA Institute resources, knowledge, and expertise. Corporate sponsorships, like the partnership with TEDx Charlottesville for the past two fiscal years, help us reach an even more diverse audience and promote “ideas worth sharing.”

In addition to engaging local communities, we remain committed to building and retaining an energized and engaged employee base. Our employees serve as ambassadors for the mission and goals of CFA Institute, and our increased Volunteer Time Off benefit (from 8 hours to 16 hours per calendar year) led to a nearly twofold increase in hours spent engaging in community volunteerism. These efforts included skills-based volunteering, which brings the expertise of CFA Institute to bear on the challenges facing our communities.

In the realm of sustainability, CFA Institute pioneered a first-of-its-kind local partnership with Habitat for Humanity, creating a carbon offset purchase that blends the dual goals of carbon reduction with that of sustainable and affordable local growth and housing improvement. Our investment further served as an entry point for several local families to become first-time investors through home ownership.

Metrics regarding sustainability are increasingly used by our members to determine the value of potential investments, and we believe that our members should be able to evaluate our performance along similar lines. For these reasons, sustainability reporting will be an area of focus for the Corporate Citizenship team in the coming years. In FY18, the Corporate Citizenship team will commission a report on the organization’s global carbon footprint and begin taking steps toward global sustainability reporting in line with the standards of the Greenhouse Gas Protocol—an industry best practice. These reporting-based enhancements will be complemented by a materiality assessment that will be used to establish a multi-year roadmap for the program’s success. The materiality assessment will speak to the business goals and needs of our key stakeholders—including members, charterholders, and volunteers—and will ensure that our Corporate Citizenship efforts continue to further these goals in addition to benefiting our communities and society.

### Environment

- 5,984 pounds of electronics recycled
- 471 cubic yards of post-use recycling = 59 dumpsters not in landfill
- 73,577 kWh solar power generated = 55 metric tons of CO<sub>2</sub> avoided

### Volunteering

- 2,200 hours of service through volunteer time off
- 12 years of volunteerism to United Way Day of Caring: ~90 participants in 2017

### Strategic Community Partnerships

- 4 strategic community partners
- ~90,000 community members reached through events sponsored by CFA Institute

### Donations

- 4,844 meals to families in need through Say Goodnight to Hunger
- 1,100+ toiletries donated to the homeless
- 14 charitable drives hosted by CFA Institute global offices

# INFORMATION ABOUT THE MEETING AND VOTING

## Recommendations

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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 seven nominees to serve as members of the Board of Governors.

## Quorum

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

## Voting

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Each Regular Member will be entitled to one vote with respect to each matter considered at the meeting. The amendments 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. The amendment to the Bylaws and the election of the Chair, the Vice Chair, and seven 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

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The [annual report](#) of CFA Institute for the fiscal year ended 31 August 2017, including consolidated financial statements, is available on our website and proxy site.

## Compensation Philosophy

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The objectives of our [executive compensation program](#), along with the past three years of proxy statements and past three years of US 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

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

## Accessing the Annual Meeting of Members Remotely

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The Annual Meeting of Members will be held at the Kowloon Shangri-La, Rose and Peony Rooms (Combined)—Lower Level III, 64 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong SAR, China, on Friday, 11 May 2018 at 11:45 a.m. Hong Kong Time.

During the meeting, please visit [CFAInstitute.OnlineShareholderMeeting.com](http://CFAInstitute.OnlineShareholderMeeting.com). You may attend the meeting virtually using your computer, smart phone, or tablet. You will also have the option to vote during the meeting. Please reference your proxy card information when you access the website and follow the instructions to join the meeting.

## Appendix A: Amended CFA Institute Articles of Incorporation and Bylaws

**CFA Institute**  
**(A Virginia Nonstock Corporation)**  
**ARTICLES OF INCORPORATION**  
**Amended \_\_\_\_ May 2018**

### 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; including advocacy and other engagement with global regulatory and standard-setting bodies, academic institutions and others to enhance investor protection, market integrity and ethical and professional standards;
- (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 be elected by the Regular Members of CFA Institute at the annual meeting of members and 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 \_\_\_\_ May 2018**

## **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 appears to be misusing the CFA designation), individual that has allowed membership to lapse or has had membership suspended through the disciplinary process (and who appears to be misusing the CFA designation); or an individual that seeks to reactivate a membership that has been lapsed.
- 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 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;
    - (iii) be a Charterholder Member; or
    - (iv) four (4) years of Acceptable Professional Work Experience and be a voting member in good standing of an organization with whom CFA Institute or its Member Societies have combined through merger, acquisition or otherwise, provided that the Board of Governors has approved Regular Membership by a 2/3 affirmative vote.
  - (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.

