



CFA Institute

2019 PROXY STATEMENT & NOTICE OF ANNUAL MEETING OF MEMBERS

10 May 2019

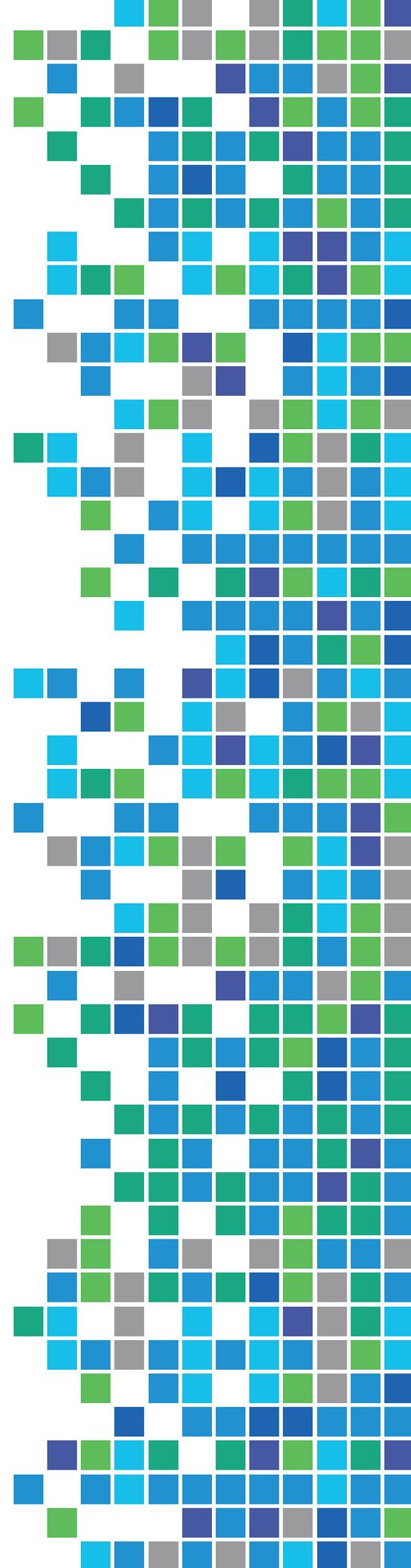


TABLE OF CONTENTS

Message from the Chair	4
Message from the President and CEO	6
Notice of Annual Meeting of Members	8
Proxy Summary	10
Voting Matters	10
Board Composition	11
Voting Matters	13
Amendment to the CFA Institute Bylaws	13
Ratification of Selection of Independent Registered Public Accounting Firm	14
Election of Chair and Vice Chair	14
Election of Governors	18
Continuing Governors	23
President and CEO	32
Outgoing Governors	33
Board of Governors	35
General	35
Selection of Governors	35
The Board's Roles and Responsibilities	36
Risk Oversight	36
Information Security and Data Privacy	37
Strategic Oversight	37
Talent Management and Succession Planning	37
Compliance	37
Governance	37
Board Structure and Processes	38
Board Leadership	38
Board Leadership Structure and Responsibilities	38
Board Committees	39
Fiscal Year 2018 Board and Committee Meetings Held and Member Attendance	41
Board Expenses	41
Corporate Governance	42
US Public Company Standards	42
Enterprise Risk Management	42
Compliance and Ethics	43

Audit Matters	44
Audit and Risk Committee Report	44
Audit and Risk Committee Fiscal Year 2019	44
Appointment of the Independent Public Accounting Firm	45
Fees Paid to PricewaterhouseCoopers LLP	45
Audit and Risk Committee Pre-Approval Policies and Procedures	45
Compensation Discussion and Analysis	46
Philosophy and Objectives of Our Executive Compensation Program	46
How We Make Executive Compensation Decisions	46
Role of the Compensation Committee	46
Role of the CEO	47
Benchmarking	47
Risk Provisions for Incentive Compensation for Executives	48
Compensation Pay Elements	49
Retirement Program	49
Other Benefits/Allowances	50
CFA Institute Executive Severance Plan	50
CEO Pay Ratio	50
Compensation Summary Table for Top Executives	51
Diversity, Inclusion, and Citizenship	54
Diversity and Inclusion	54
Corporate Citizenship	55
Information about the Meeting and Voting	56
Recommendations	56
Quorum	56
Voting	56
Annual Report	56
Compensation Philosophy	56
Appendix: Amended CFA Institute Bylaws	56
Accessing the Annual Meeting of Members Remotely	56
Appendix: Amended Version of the CFA Institute Bylaws	57

In mainland China, CFA Institute accepts CFA charterholders only.

MESSAGE FROM THE CHAIR

DEAR FELLOW MEMBERS,

Thank you for your commitment to CFA Institute, and to upholding the highest standards of ethics, integrity, and professional standards in the investment industry.

In this proxy, we present candidates for the Board of Governors of CFA Institute, a change to the bylaws with regards to the work experience requirement for regular membership, and ratification of the external auditor. We would sincerely appreciate it if you would take the time to review this material and vote – your vote makes a difference.

I would like to take a moment to update you on what we have been up to as a Board when it comes to governance.

Governance at CFA Institute

Over the last several years, your Board has introduced a number of changes. First, we have reduced the Board's size to a range of 10 – 15 governors serving at any one time. Second, we have repositioned a number of committee-related duties. As those changes begin to mature, we are starting to feel the benefits of a Board with greater strategic focus. Third, we have adopted, where appropriate, public company standards of governance. This has not been without its challenges, but on balance we feel strongly that it has improved the sophistication of our governance. Finally, we have embraced and achieved a commitment to sharply improve gender balance on the Board. The slate in front of you today demonstrates even further progress along those lines, and we're proud to be leading the industry in this regard. We have made these changes because we believe they increase Board effectiveness.

As part of the process the Nominating Committee undertakes, the Board seeks to ensure a balance of expertise and perspectives necessary to oversee and guide CFA Institute on your behalf. Our goal is to ensure a Board with a sufficiently diverse range of perspectives to ensure a global understanding of our industry and the myriad challenges and opportunities we face as an organization. In order to achieve that, we now conduct an annual analysis of governor skills and upcoming areas of need. This year, we identified three primary areas of focus: technology expertise, business experience and knowledge in the EMEA region, and gender diversity. Secondly, we also identified an upcoming need for additional regulatory and governance expertise.

The nominations and search process began in the fall and continued through January of this year. The Board received and considered 26 external applications. Details as to how candidates were sourced and vetted can be found here: [The Board of Governors Nomination Process](#).

After conducting a thorough process over seven meetings, the Nominating Committee arrived at a short list of four 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. The Board approved the Nominating Committee's recommendations, which consist of the candidates before you for consideration.

Our Strategy

Paul and the leadership team have done an exemplary job setting a vision and long-term strategy for the organization. As you know, we are the premier global association for investment management professionals, and we seek to lead our industry forward. We stand for creating an environment where investors' interests come first and markets function at their best. Only then can we achieve our goal of working for the ultimate benefit of society.

As part of the strategy implementation plan, in conjunction with Paul, the Board and I have identified five priority goals for fiscal year 2019. They are: our Societies 2.0 strategy, organizational culture, continuing professional development for our members, society technology, and Future of Exam Delivery. The Board of Governors will support the leadership team and the staff on delivering on our strategy. These are ambitious goals, but we are confident in our chosen direction.

CEO Succession Planning

As you are no doubt aware, Paul Smith, our President and Chief Executive Officer, has communicated his intent to retire from CFA Institute effective 31 December 2019. The Board of Governors and I are deeply appreciative of this advance notice; it has provided the Board with adequate time to conduct a thorough search to identify a successor and to then facilitate a seamless leadership transition.

A CEO Search Committee has been created to oversee the process, supported by a global executive search firm. The search committee is chaired by Diane Nordin, who stands before you as nominee for Chair, and it includes four current and one past governor. I am confident this process will result in the selection of the best person possible to assume the role of President and CEO.

Please Vote

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

Thank you, and I look forward to seeing many of you at the Annual Meeting of Members in May 2019.

Best regards,



Heather Brilliant, CFA
Chair, CFA Institute Board of Governors



MESSAGE FROM THE PRESIDENT AND CEO

DEAR COLLEAGUES,

As you all know, I will be retiring at the end of the year. This will be my last opportunity to write to you in the annual proxy.

I am extremely proud of what we have collectively accomplished in the last four years or so. I have eight months to run and fully intend to keep my foot to the floor to help further embed many of our key initiatives within the organization — key initiatives that have multi-year dimensions and that will still be ongoing long after I have departed.

So, what are these initiatives? My fiscal year 2019 priority goals are Societies 2.0, Continuing Professional Development (CPD), society technology, Future of Exam Delivery, and culture development. Allow me to touch briefly on each.

Societies 2.0 represents our long-term plan to realise an ambitious vision across the entire society network to make the local societies the main interface for members. In fiscal year 2018 we built alignment with this vision, while in fiscal year 2019 we are working on the infrastructure that will set us all up for future success.

The Societies 2.0 teams have been working hard to drive forward the Societies 2.0 plans and to encourage all societies to sign onto the shared vision statement, which states, in part, "We believe our objectives will be best achieved by positioning societies as the clearest route to our members and their investment communities." To date, we have 150 out of 154 societies onboard!

Our society technology efforts parallel this work and are essential to its successful implementation. We continue to build out our foundational society technology platform capabilities and seek to increase society usage of the platform. In doing so, we hope to raise the societies' digital satisfaction scores. These are but the first stages of a multi-year effort to help resource societies so that they can be more impactful around our shared mission of raising professional standards.

With respect to CPD: When you visit a doctor about a health issue or when you ask your accountant to advise you on the latest tax changes, you expect that their knowledge will be up to date and that you will receive the best possible counsel. To meet those expectations, all respected professions mandate some form of continuing professional development; it's understood that professionals must be current on the latest thinking, innovations, and developments in their industry.

The investment management profession has a spotty record in this regard. Some jurisdictions mandate CPD, and others do not. At CFA Institute, we require members to attest annually that they comply with our Code of Ethics. The Code states, in part, "maintain and improve your professional competence." Yet we do not prescribe a set number of hours of mandatory training a year, nor do we verify; we merely invite members to attest. We leave it to our members' discretion to determine their continuing education path.

We last put the question of mandatory CPD to a vote in 2002. At that time, mandatory CPD was rejected by the membership for a variety of interconnected reasons: the lack of a sound CPD product and framework, the need to deliver CPD digitally, the fear that CPD would be an additional expense on members, and the need to give credit for CPD earned for other designations a member might hold or through providers other than CFA Institute.

We are addressing all of these concerns and have a pilot program underway with CFA Society United Kingdom. We will carefully monitor and assess its progress before proceeding with any next steps which would, of course, ultimately include a membership vote. You will hear much, much more about this subject in the coming two years. I believe it is the single biggest impediment to our aspiration to be recognised as the professional body for the investment management industry. Such a recognition would benefit not just the communities we serve but also all of our charterholders as they pursue their career paths.

Just as we have pushed ahead with CPD, so too must we press on with our Future of Exam Delivery plans. We all have fond memories of taking the exams with pencil and paper, but that approach is increasingly hard to sustain as our candidate base grows and spreads globally. We have put plans in place for computer-based testing (CBT), with a pilot for Level I set to commence in June 2020. We spent this year identifying business requirements, testing platforms, and undertaking user acceptance testing. I do not believe that there is a viable alternative to this plan. CBT will have other advantages too. It will enable us, over time, to move our examination much more towards testing skills and competencies and away from knowledge retention. It will also provide candidates with a much quicker and fuller understanding of their exam results.

The successful completion of this ambitious agenda requires hard work and engagement from our employees. We regularly survey our staff to get a pulse check on the workplace environment (globally, of course) and to measure engagement. We have asked an awful lot of our teams over the past few years, and we have noted some lack of understanding and discomfort at times. As such, we have initiated a number of culture-building initiatives and have increased our internal communications. We launched new values — trust, inclusion, curiosity, and service — that we believe are both grounded in our culture but aspirational in terms of what we strive to become.

I believe these five priorities will help us achieve our goals. Of course, we have many other objectives and projects underway that are driven by your feedback, one of which that I wish to highlight here is to build the CFA Institute brand. A highlight of 2018 was the launch of our new brand campaign, "Let's Measure Up™." The campaign reached every major financial market across the globe and urged industry professionals to "measure up" to their clients' expectations. I cannot think of a more powerful and compelling message.



The campaign received positive anecdotal and analytical feedback from our members and target audiences, and it resulted in a significant uptick in brand awareness. Let's all take up the mantra of "Let's Measure Up" and prove the value that our profession contributes to our clients and to society as a whole.

As our Board Chair Heather Brilliant, CFA, notes in her letter to the membership in this proxy, the Board has a robust process in place to select my successor. I am confident that the Board will appoint a very well qualified person to lead us forward and to build on the momentum we have created together.

When you vote via the proxy, you are helping to elect the governing body of CFA Institute: the Board Chair, Vice Chair, and four governors. We set the strategic direction of the organisation in close cooperation and consultation with the Board. As volunteers, they devote a significant amount of time to their roles, and I am truly thankful for their leadership, guidance, and support.

We live in turbulent times, both in the geopolitical sense and within the investment management industry. We have little control over the forces of instability in the world, but we can – and must – impact the future of our industry.

Disruptions loom large, forcing all of us to be forward thinking. As well-trained investment professionals, we counsel our clients to prepare for volatility and to have a long-term view. We need to be prepared for volatility within our industry as well, even if forecasting the future of our profession 10 years down the road seems nearly impossible.

For the 72 years of our existence, we have prepared financial professionals for a successful career in our industry, and we have preached a client-centric approach and advocated for free and fair markets. So although the forces of disruption persist, we have been steadfast in our mission.

The consistency of our approach reaps benefits. This past fiscal year marked record numbers of candidates, charterholders, members, and societies – truly extraordinary. Financially, we booked \$356 million in revenues, up 14% from fiscal year 2017. You will find much greater detail on our results in our Annual Report, which I encourage you to review.

CFA Institute is your organisation; your proxy vote represents a means to make your voice heard. I urge you to read our fiscal year 2018 Annual Report and the proxy statement – and then please vote!

I hope you will see that the priority goals we have set ourselves will carry us strongly forward into 2020 and beyond. There is much work to be done, but we have piloted a strong, long-term course.

Finally, it has been an honour and a privilege to lead CFA Institute. Thank you all for your support. It has meant more to me than I can ever say.

Best regards,



Paul Smith, CFA
President and CEO, CFA Institute

NOTICE OF ANNUAL MEETING OF MEMBERS

Date and Time

Friday, 10 May 2019
12:45 p.m. British Summer Time (London, UK)

Regular Members are encouraged to participate in person or via live audio webcast.

Place

Queen Elizabeth II Center
Mountbatten Room
Broad Sanctuary Westminster
London SW1P 3EE United Kingdom

Audio Webcast

Please use the following link to join the live audio webcast: www.virtualshareholdermeeting.com/CFA19

Purpose:

1. To approve an amendment to the CFA Institute Bylaws.
2. To ratify the selection of an independent registered public accounting firm for fiscal year 2019.
3. To elect a Chair and a Vice Chair of the CFA Institute Board of Governors for fiscal year 2020.
4. To elect four governors, each to serve a term beginning 1 September 2019 and ending 31 August 2022.
5. To transact any other business that properly comes before the meeting or any adjournment.

All Regular Members at the close of business on 4 March 2019 will be entitled to vote at the meeting and any adjournments.

This notice and the Proxy Statement will be mailed on or about 12 March 2019 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, USA) on Thursday, 9 May 2019.



By Internet

- Visit 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

- 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:

- 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 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 US.

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
Amend Article 3.2 (b) of the Bylaws to change the work experience requirement for regular membership from four years to 4,000 hours of Acceptable Professional Work Experience completed during a period of not less than 36 months.	FOR	<p>The Board of Governors believes that changing how work experience is measured improves clarity about how professionals should meet the high standards of membership, thereby ensuring CFA Institute rigor and competitiveness.</p> <p>This amendment changes the unit of measurement for work experience, but not the amount of experience required. The 4,000-hour requirement is the same number of hours implied by the old standard (roughly 48 months x 160 hours/month x 50% time spent in qualified activities). The proposed standard better accounts for varying work-week durations around the world and changing global work practices (namely an increase in time spent earning advanced education, part-time professionals, and flexible schedules).</p>	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.
External Auditor—Ratify the selection of an independent registered public accounting firm for fiscal year 2019.	FOR	The Audit and Risk Committee of the Board of Governors believes that KPMG should be designated to perform the fiscal year 2019 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 Diane Nordin, CFA, as Chair and Daniel Gamba, CFA, as Vice Chair of the CFA Institute Board of Governors for fiscal year 2020.	FOR	The Board of Governors 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 Karina Litvack; Diane Nordin, CFA; Tricia Rothschild, CFA; and Maria Wilton, CFA, as governors of the CFA Institute Board, each to serve a term beginning 1 September 2019 and ending 31 August 2022.	FOR	The Board of Governors 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](#) to view the CFA Institute Bylaws as amended per the proposed change.

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 in fiscal year 2019. 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



Charterholder 12 of 15 governors

An individual who has satisfied the requirements to become a regular member and has successfully passed the CFA Program.



Leadership Experience 13 of 15 governors

Proven track record as a leader, preferably in a C-Suite role within a global organization of comparable size and complexity as CFA Institute; independent thinker with appropriate stature and style; experienced at dealing with internal and external stakeholders.



CFA Institute Volunteer Experience 5 of 15 governors

Experience serving as a CFA Institute volunteer (e.g. GIPS® Committees/Subcommittee, Future of Finance Advisory Council, Education Advisory Committee, Council of Examiners, Standards of Practice Council).



Society Leadership Experience 6 of 15 governors

Experience serving in a leadership role for a CFA Institute member society.



Professional Diversity 13 of 15 governors

Expertise in a diverse range of job functions, industry sectors, and industries.



Gender Diversity 5 of 15 governors

CFA Institute has made a public commitment that no less than 30% of the Board will be women.



Regional Diversity

Knowledge of the Americas (AMER); Asia Pacific (APAC); or Europe, Middle East, and Africa (EMEA) regions. Board representation should be diverse geographically, and the Board should be able to act effectively in the best interest of the global membership and member societies.

- **Regional Diveristy (AMER)** 6 of 15 governors
- **Regional Diversity (APAC)** 6 of 15 governors
- **Regional Diversity (EMEA)** 3 of 15 governors



Audit 9 of 15 governors

A financial expert has an understanding of financial statements and generally accepted accounting principles (GAAP); experience in preparing, auditing, analyzing, or evaluating financial statements of companies comparable to the company or experience in actively supervising one or more persons engaged in such activities; experience in applying GAAP to accounting for estimates, accruals, and reserves; and an understanding of internal accounting controls, procedures for financial reporting, and audit committee functions, as a result of:

- education and experience as a public accountant, auditor, principal financial officer, controller, or principal accounting officer of a company, or in a position involving similar functions;
- experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor, or person performing similar functions; or
- experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing, or evaluation of financial statements or other relevant experience. (SOX Section 407; SEC Regulation S-K Item 407(d)[5]).



Independent 13 of 15 governors

A governor shall be considered "independent" if the Board affirmatively determines that the governor has no material relationships with CFA Institute, either directly or as a partner, shareholder or officer of an organization that has a relationship with CFA Institute. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and family relationships, among others. The Board shall determine whether a governor is independent each year after reviewing relevant facts and circumstances.

- An individual's social independence, or how closely associated an individual is with CFA Institute and CFA Institute staff, should also be considered, and this should be shared with the Board for their awareness and as part of the due diligence process.



Human Resources 8 of 15 governors

Experience in people management in an organization at least of comparable size and complexity to that of CFA Institute and/or board or human resources experience in planning CEO succession; experience in remuneration practices.



Information Technology 1 of 15 governors

Outstanding technology expertise in a leadership role overseeing digital transformation and social media delivery capabilities and ideally, knowledge relevant to potential industry disruptors.



Branding & Communications 3 of 15 governors

Social media and communications experience; experience building a brand in new and existing markets to extend reach and relevance.



Regulatory 5 of 15 governors

Demonstrable first-hand knowledge of regulatory issues, regulators and public policy making gained either from within the policy-making establishment itself or via participation on high-level and influential advisory panels that shape the rule making affecting the investment industry.



CFA Program Expertise 3 of 15 governors

Experience working directly on CFA Program curriculum development or exam development obtained, for example, through active membership on the Council of Examiners or the Education Advisory Committee.



Corporate Governance Experience 3 of 15 governors

Expert in board and public company policies and procedures as evidenced by extensive and significant public company board service (preferably on corporate governance and nominating committees) and/or recognized expert in the field.



Public Company Board Experience 3 of 15 governors

Board service in a publicly listed company of significant size and complexity, at least comparable to the size and reach of CFA Institute.



Not-for-Profit Experience 9 of 15 governors

Board service in a not-for-profit organization of significant size and complexity, at least comparable to the size and reach of CFA Institute.



Education Experience 3 of 15 governors

Extensive teaching, administration, or curriculum development and delivery experience gained at a significant university or post graduate institution.

The Skills Matrix refers to the fiscal year 2019 Board of Governors.

VOTING MATTERS

Amendment to the CFA Institute Bylaws

Proposal

Amend Article 3.2 (b) of the Bylaws to change the work experience requirement for regular membership from four years to 4,000 hours completed in a minimum of 36 months.

Rationale

This amendment changes the unit of measurement for work experience, but not the amount of experience required. The 4,000-hour requirement is the same number of hours implied by the old standard (roughly 48 months x 160 hours/month x 50% time spent in qualified activities). The proposed standard better accounts for varying work-week durations around the world and changing global work practices (namely an increase in time spent earning advanced education, part-time professionals, and flexible schedules). Changing how work experience is measured improves clarity about how professionals should meet the high standards of membership, thereby ensuring CFA Institute rigor and competitiveness.

Recommendation

In May 2018, the Board of Governors approved a proposal to modernize the work experience calculation from a 48-month standard to an equivalent 4,000-hour standard—allowing for qualifying part-time professional experience and better accountability for regional differences in hours worked in a month. The change from months to hours is a change to how the work experience is tracked but not to the current requirement. To ensure that an applicant's work experience is gained over an appropriate time frame, the bylaws will be updated to require a minimum of 36 months to meet the 4,000-hour standard.

This proposed change ensures CFA Institute competitiveness and addresses shifts in the diverse global investment management industry. We recommend this more rigorous approach so that all applicants will continue to embody the professional and ethical standards expected of CFA Institute members and to enable CFA Institute to fulfill its commitment to developing the next generation of educated, experienced, and ethical practitioners to lead the investment management profession.

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) 4,000 hours ~~four (4) years~~ of Acceptable Professional Work Experience completed during a period of not less than 36 months and passage of Level I of the CFA Program, or such other appropriate examination approved by the Board;
 - (ii) 4,000 hours ~~four (4) years~~ of Acceptable Professional Work Experience completed during a period of not less than 36 months and passage of a standards of professional conduct examination approved by the Board;
 - (iii) be a Charterholder Member; or
 - (iv) 4,000 hours ~~four (4) years~~ of Acceptable Professional Work Experience completed during a period of not less than 36 months 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 (ARC) has appointed KPMG as the organization's independent public accounting firm to perform the fiscal year 2019 audit of the consolidated financial statements of CFA Institute. We are not required to submit this appointment to ratification by the members. However, if the members do not ratify this appointment, it may be reconsidered by the ARC. Moreover, the ARC, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interest of CFA Institute and its members.

Election of Chair and Vice Chair

At the Annual Meeting of Members, members will be asked to vote on the election of Diane Nordin, CFA, as Chair and Daniel Gamba, CFA, as Vice Chair of CFA Institute for a term beginning on 1 September 2019 and ending on 31 August 2020, 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



Diane Nordin, CFA

Governor Since: 2016

Age: 60

Country: United States

Society Membership: Boston



Current Position:

- Director, Principal Financial Group, Des Moines, Iowa, United States, since 2017
- Board Member, Fannie Mae, Washington, DC, United States, since 2013
- Board Member, Antares Capital, Chicago, Illinois, United States, since 2016

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:

- Vice Chair, CFA Institute Board of Governors (FY2019)
- Audit and Risk Committee (FY2017, FY2018*)
- CEO Search Committee (FY2018*, FY2019*)
- Compensation Committee (FY2019)
- Executive Committee (FY2018, FY2019)

Personal Statement

I am honored to be nominated as Chair of the CFA Institute Board of Governors. During my tenure as governor on the Board, CFA Institute has embarked on an ambitious plan to execute significant strategic initiatives in an industry that faces ever-changing challenges. In doing so, CFA Institute has re-examined its value proposition to ensure that future goals will better meet the wants and needs of our members, their societies, other key stakeholders, and the investment environments in which they work globally. Much foundational work has been done under the leadership of CEO Paul Smith, his management team and staff, current and previous governors and Board Chairs, PCRs, and thousands of dedicated volunteers. There is renewed energy, engagement, and aspiration. While there is much to be proud of with where we have been, what has been accomplished, and the goals we have achieved, there is more work to be done to execute our strategies and fulfill our mission "for the betterment of society."

I know we all are up to the challenge to reach a higher level of excellence. It is, however, a period of leadership transition with CEO Paul Smith leaving CFA Institute by year-end 2019. During my tenure as a governor, I have served in several leadership roles including Audit and Risk Committee Chair, Board Vice Chair, and Compensation Committee member, and I am currently serving as Chair of the CEO Search Committee. It is in this latter role where I have gained insights from society leaders, PCRs, members globally, as well as the Board and CFA Institute leadership on what qualities we need in the next CEO to execute strategy, create a vision for the future, and improve our standing among our membership and other critical stakeholders. As a senior leader in asset management and a director on public company and nonprofit boards, I have worked on several CEO transitions and understand first-hand the elements of successful CEO succession. If elected as Chair of the CFA Institute Board of Governors, I believe I possess the required expertise to make this critical CEO transition a successful one and guide the organization toward a sustained period of excellence. Thank you for your consideration.

* Denotes the governor served as Chair.

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® charterholder, CFA Institute

Vice Chair Nominee



Daniel Gamba, CFA

Governor Since: 2015

Age: 51

Country: United States

Society Membership: New York



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:

- Audit and Risk Committee (FY2019*)
- Advocacy Working Group (FY2016)
- Audit and Risk Committee (FY2018)
- Executive Committee (FY2019)
- 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® charterholder, CFA Institute

Personal Statement

I am honored to be nominated as Vice Chair of the CFA Institute Board of Governors. There are three factors that guide my professional and personal life and inspire me to pursue this opportunity: family, inclusion, and passion.

First, on family, I am originally from Peru, where family members are numerous, and we are all very close, so connecting people is very important to me. As a family, CFA Institute connects thousands of like-minded professionals who volunteer to support:

- the highest standards of education and ethics,
- networking supporting careers in asset management, and
- advocacy showcasing governments' societal benefits of the investment profession.

Second, on inclusion, I grew up in a society divided by class and last names, so I overcame obstacles to prove that someone with a different last name could access college, study abroad, and pursue the best professional opportunities to succeed. As an inclusive, global community, CFA Institute connects 154 societies across more than 70 markets with a designation that opens doors to more and more investment professionals from 162 markets, with 3/5 of its candidates coming from emerging markets in Asia Pacific, Africa, and Latin America.

Third, on passion, I come from a family that believes in studying to be number one in your class and from a country with little resources where hard work is vital to get the job done. I am passionate about CFA Institute's mission: "to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society."

I have spent many years volunteering for CFA Institute, working with societies, being part of the CFA Institute Board of Governors, and serving as Chair of the Audit and Risk Committee, so I bring continuity to support execution of strategy. Also, I bring over 20 years of insight as a disruptive change agent in asset management, leading disruptive industry forces, such as ETF and factor adoption, use of technology for alpha generation, and penetrating fast-growth emerging markets.

If elected, I will work with the same passion to service the global, inclusive family of CFA charterholders, in three areas:

- advancing continuous professional development,
- increasing member value via societies enabled by technology deployed by CFA Institute, and
- strengthening the CFA Program in areas such as wealth management, private markets, and technology to remain the gold standard to lead our "disrupted" investment management industry.

** 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 Karina Litvack; Diane Nordin, CFA; Tricia Rothschild, CFA; and Maria Wilton, CFA, as governors, each to serve a three-year term beginning 1 September 2019 and ending 31 August 2022. 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



Karina Litvack

Age: 56

Country: United Kingdom



Current Position:

- Non-Executive Director, Eni S.p.A., Rome, Italy
- Non-Executive Director, Business for Social Responsibility, San Francisco, California, United States
- Chairman, Tainted Assets Initiative, Basel, Switzerland
- Co-Founder, Climate Governance Initiative, Geneva, Switzerland

Prior Positions:

- Director, Head of Governance & Sustainable Investment, F&C Management (now BMO Global Asset Management), London, United Kingdom
- Founding Member of Board of Directors, Extractive Industries Transparency Initiative (EITI), Oslo, Norway
- Member of Primary Markets Group, London Stock Exchange, London, United Kingdom
- Member of Board of Directors, Natural Resource Governance Institute, New York, New York, United States
- Member of Stakeholder Advisory Panel, Lafarge, Paris, France

- New York City Economic Development Corporation, Project Manager, New York, New York, United States
- PaineWebber Incorporated, Capital Markets Associate, New York, New York, United States

Current Positions on Other Boards:

- Board Member, Yachad, London, United Kingdom
- Advisory Board Member, Bridges Fund Management Ltd., London, United Kingdom
- Senior Advisory Panel Member, Critical Resource Strategy & Analysis Ltd., London, United Kingdom
- Advisory Council Member, Transparency International UK, London, United Kingdom

Education:

- Master in Business Administration, Finance & International Business, Columbia University
- Bachelor of Arts, Political Economy, University of Toronto
- Royal Society of Linguists, Diploma in Italian Translation & Interpretation

Personal Statement

I am immensely grateful for the opportunity to be considered for the Board of Governors of CFA Institute. My intention, if selected, is to contribute my expertise as an innovator in the field of governance and sustainable investment, built over the three decades since first starting as an investment banker, to help position the organisation to confront some of the thorniest challenges our world order has faced since we emerged from the post-war period.

Sound capital allocation is a critical building block for a healthy society, ensuring free flows of savings towards innovation and sustained wealth generation. However, doing so by relying on valuation metrics that neglect systemic risk factors means we risk draining value and undermining social and therefore economic stability over the longer term. As a profession, we in the investment management industry have an opportunity, indeed a commercial self-interest, to address these challenges by developing much more effective ways of valuing the hard-to-measure factors—such as climate change, human capital, and migratory pressures—that can ultimately affect value generation, be it in individual companies or entire sectors and geographies.

My experience—first gained in investment banking, followed by a brief foray in urban regeneration, then a return to finance but within asset management, and finally as a non-executive of a global oil and gas major—has consistently placed me in the position of being the one who offered the “outside-in” perspective. By this, I mean I have always worked from within to reflect self-critically on external trends and pressures, revisit accepted ways of thinking, and gradually re-engineer our practices, always with a philosophy of preserving what works well while tweaking what needs updating. The investment industry has traveled a long way over the last quarter century, as smaller marginal players experimented with various new approaches to environmental, social, and governance (ESG) issues while the larger mainstream players sat cautiously on the sidelines. These last five years have now seen a sudden burgeoning of interest from large and small players alike, as clients have clamoured for evidence of a credible, professional approach to ESG investing. Skills and formal training, however, have largely lagged behind both client demand and investment manager interest. I am very hopeful that with the leadership of CFA Institute, this gap can now be closed and that the CFA designation can take its rightful place in the industry as the engine of innovation in this area.



Tricia Rothschild, CFA

Age: 52

Country: United States

Society Membership: Chicago



Current Position:

- Chief Product Officer, Morningstar, Inc., Chicago, Illinois, United States
- Member of Executive Team/Executive Officer, Morningstar, Inc., Chicago, Illinois, United States
- Co-Head, Global Markets, Morningstar, Inc., Chicago, Illinois, United States

Prior Positions:

- Head of Global Advisor Solutions/Head of Advisor Software, Morningstar, Inc., Chicago, Illinois, United States
- Senior Vice President, Equity Research Business, Morningstar, Inc., Chicago, Illinois, United States
- Senior Product Manager for Morningstar.com, Morningstar, Inc., Chicago, Illinois, United States
- International Mutual Fund Editor and Analyst, Morningstar, Inc., Chicago, Illinois, United States

Personal Statement

"There's never been a better time for great advice." This is a phrase that my Morningstar colleagues and I use frequently to describe both the headwinds and the tailwinds that our industry faces today. My interest in serving as a member of the CFA Institute Board of Governors is driven by my desire to deliver on the promise of this statement. Technological trends, demographic shifts, and political, environmental, and business-model changes are disruptive, but also present an opportunity to help global investors realize better financial outcomes. In my 25-year career as an analyst, product manager, and business leader at Morningstar, I've always been motivated to advocate for the individual investor. CFA Institute provides the framework and organizational power to support investment professionals worldwide who share the same mission: to lead the investment profession globally by promoting the highest standards of ethics, education and professional excellence for the ultimate benefit of society.

Perhaps now more than ever, we have an opportunity to simplify complexity, improve the digital experience for both individual investors and professionals in our field, and harness the power of cloud computing to deliver more personalized yet secure insights from the massive amounts of data we produce every second of the day. In addition, I'm personally committed to illuminating the impact of environmental, social, and governance factors on investing outcomes, and am interested in how the convergence of private and public markets could impact our industry.

I would be truly honored to put my experience and interest in these areas to work as a member of the CFA Institute Board of Governors, and I look forward to serving you and the individuals who trust us to empower their financial success.

Current Positions on Other Boards:

- Board Member, Y-Charts, Chicago, Illinois, United States
- Founding Member, Women in Wealth Management Advisory Board, sponsored by Envestnet Institute on Campus, Philadelphia, Pennsylvania, United States
- Member, Philanthropy Committee, National Charity League, Wilmette Chapter, Wilmette, Illinois, United States

Education:

- Bachelor of Science, Northwestern University
- Master of Arts, Indiana University
- Chartered Financial Analyst® charterholder, CFA Institute



Maria Wilton, CFA

Governor Since: 2018

Age: 54

Country: Australia

Society Membership: Melbourne



Current Positions:

- Director, Victorian Funds Management Corporation, Melbourne, Australia, since 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

Board Committee Service:

- Governance Work Group (FY2019)
- Society Partnership Advisory Council (FY2019)

Additional Volunteer Experience:

CFA Institute

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

Personal Statement

With a 30-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, societies, the Board of Governors, CFA charterholders, and aspiring charterholders— to help our clients reach their goals.

Current Positions on Other Boards:

- Chair, Industry Advisory Board, Australian Centre for Financial Studies
- Board Member, Cornish College Council
- Deputy Chair, Infrastructure Victoria

Education:

- Bachelor of Economics, University of Tasmania
- Associate, Securities Institute of Australia
- Fellow, Australian Institute of Company Directors
- Fellow, Australian Institute of Superannuation Trustees
- Chartered Financial Analyst® charterholder, CFA Institute

Second-Term Governor Nominee



Diane Nordin, CFA

Governor Since: 2016

Age: 60

Country: United States

Society Membership: Boston



Current Position:

- Director, Principal Financial Group, Des Moines, Iowa, United States, since 2017
- Board Member, Fannie Mae, Washington, DC, United States, since 2013
- Board Member, Antares Capital, Chicago, Illinois, United States, since 2016

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:

- Vice Chair, CFA Institute Board of Governors (FY2019)
- Audit and Risk Committee (FY2017, FY2018*)
- CEO Search Committee (FY2018*, FY2019*)
- Compensation Committee (FY2019)
- Executive Committee (FY2018, FY2019)

* Denotes the governor served as Chair.

With regards to the second-term governor nomination for Diane Nordin, CFA, please reference page 15 for her personal statement.

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® charterholder, CFA Institute

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 2020 and 2021. Please visit the CFA Institute website to read each governor's bio.

Governors with Terms Expiring 31 August 2021



Alex Birkin

Governor Since: 2018

Age: 43

Country: United Kingdom



Leadership



Professional Diversity



Regional Diversity (EMEA)



Information Technology



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:

- Nominating Committee (FY2019)

Current Positions on Other Boards:

- Board Member, EY Global Wealth & 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

* Alex Birkin is not 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, D.B.A.

Governor Since: 2018

Age: 69

Country: United States



Leadership



Professional Diversity



Regional Diversity (AMER)



Audit



Independent



Public Company Board



Not-for-Profit



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

Board Committee Service:

- Governance Work Group (FY2019)

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



Dan Fasciano, CFA

Governor Since: 2018

Age: 52

Country: United States

Society Membership: Boston



Charterholder



Leadership



Society Leadership



Regional Diversity (AMER)



Independent



Not-for-Profit

Current Position:

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

Prior Positions:

- Director of the State of Florida Treasury, State of Florida, 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

Board Committee Service:

- Governance Work Group (FY2019)
- Investment Committee (FY2019)
- Society Partnership Advisory Council (FY2018*)

* Denotes the governor served as Chair.

Additional Volunteer Experience:

CFA Institute

- Member, Annual Conferences Advisory Group

Society

- Past 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® charterholder, CFA Institute
- Chartered Alternative Investment Analyst, Chartered Alternative Investment Association
- Chartered Market Technician, Chartered Market Technicians Association



Daniel Gamba, CFA

Governor Since: 2015

Age: 51

Country: United States

Society Membership: New York



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:

- Audit and Risk Committee (FY2019*)
- Advocacy Working Group (FY2016)
- Audit and Risk Committee (FY2018)

- Executive Committee (FY2019)
- 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® charterholder, CFA Institute

* Denotes the governor served as Chair.



Punita Kumar-Sinha, PhD, CFA

Governor Since: 2018

Age: 56

Country: India/United States

Society Membership: Boston



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

Board Committee Service:

- Audit and Risk Committee (FY2019)

Additional Volunteer Experience:

CFA Institute

- Conference Speaker

Society

- Event Speaker

Current Positions on Other Boards:

- Independent Director, Infosys (Chair, Finance and Investment Committee till 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

Education:

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



Geoffrey Ng, CFA

Governor Since: 2018

Age: 45

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

Board Committee Service:

- Audit and Risk Committee (FY2019)

Additional Volunteer Experience:

CFA Institute

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

Current Positions on Other Boards:

- Chair, Kronologi Asia Berhad
- Executive Director, Fortress Capital Asset Management Sdn Bhd
- Non-Executive Director, Bristol Academy Sdn Bhd

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® charterholder, CFA Institute
- MIT Fintech: Future Commerce, Massachusetts Institute of Technology



Zouheir Tamim El Jarkass, CFA

Governor Since: 2015

Age: 56

Country: United Arab Emirates

Society Membership: Emirates



Charterholder



CFA Institute Volunteer



Society Leadership



Professional Diversity



Regional Diversity (EMEA)



Independent



Human Resources



CFA Program



Not-for-Profit



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, FY2019)
- Compensation Committee (FY2018, FY2019)
- External Relationship and Volunteer Involvement (FY2016)
- Advocacy Working Group (FY2016)
- Board of Governors 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 Institute 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, United Arab Emirates)

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® charterholder, CFA Institute

Governors with Terms Expiring 31 August 2020



Leah Bennett, CFA

Governor Since: 2017

Age: 50

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, Los Angeles, California, United States

Board Committee Service:

- Audit and Risk Committee (FY2018, FY2019)

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, Girl Scouts of San Jacinto
- 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® charterholder, CFA Institute



Heather Brilliant, CFA

Governor Since: 2013

Age: 42

Country: United States

Society Membership: New York



Charterholder



Leadership



Society Leadership



Professional Diversity



Gender Diversity



Regional Diversity (AMER)



Audit



Independent



Human Resources



Branding & Communications

Current Position:

- Acting Chief Operating Officer, First State Investments/Colonial First State Global Asset Management, since 2018
- 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:

- Vice Chair, Board of Governors (FY2018)
- CEO Search Committee (FY2018, FY2019)
- Compensation Committee (FY2018, FY2019)
- Executive Committee (FY2016, FY2018, FY2019)

- External Relationship and Volunteer Involvement Committee (FY2014, FY2016*)
- Governance Working Group (FY2016)
- Nominating Committee (FY2019)
- 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® charterholder, CFA Institute

* Denotes the governor served as Chair.



Yu Hua, CFA

Governor Since: 2014

Age: 64

Country: China

Society Membership: Beijing and Shenzhen



Current Position:

Chairman of the Board, Acting General Manager, Morgan Stanley Huaxin Management Co., Ltd., Shenzhen, China

Prior Positions:

- General Manager, Morgan Stanley Huaxin Management Co., Ltd., Shenzhen, China
- Managing Director and Head of China Business, Investment Management Division, Morgan Stanley Asia Company, Hong Kong
- General Manager and Board Director, Dacheng Fund Management Company, Shenzhen, China
- Vice President, Power Pacific Corporation Ltd., Hong Kong
- Vice Chair, Asset Management Association of China
- Board Member, International Investment Fund Association
- Head of Research, Shenzhen Stock Exchange, China
- Associate Professor of Finance, Université du Québec à Trois-Rivières, Canada
- Lecturer of Finance and Accounting, University of Reading, United Kingdom

Board Committee Service:

- CEO Search Committee (FY2018, FY2019)
- External Relations and Volunteer Involvement Committee (FY2015, FY2016)
- Society Partnership Advisory Council (FY2018, FY2019*)
- Board of Governors 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
- Board Member, International Investment Funds Association

Education:

- PhD in Finance, Catholic University of Leuven, Belgium
- Master of Business Administration, Catholic University of Leuven, Belgium
- Bachelor of Arts, Peking University
- Chartered Financial Analyst® charterholder, CFA Institute

* Denotes the governor served as Chair.

President and CEO



Paul Smith, CFA

Governor Since: 2015

Age: 59

Country: United States

Society Membership: Hong Kong and Virginia



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, FY2019)
- 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, University of Oxford
- Chartered Financial Analyst® charterholder, 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.



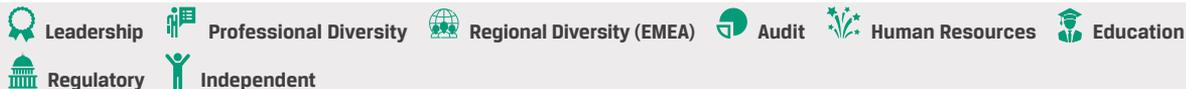
Robert Jenkins, FSIP

Governor Since: 2013

Age: 68

Country: United Kingdom

Society Membership: United Kingdom



Current Position:

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

Prior Positions:

- External Member, Interim Financial Policy Committee, Bank of England, London, United Kingdom
- CEO and Managing Partner, Combinatorics Capital, New York, New York, United States
- CEO and then Chairman of the Board, F&C Asset Management, plc, London, United Kingdom
- Chairman of the Board, Investment Association of the UK, London, United Kingdom
- Chairman, AQR Asset Management Institute, London, United Kingdom
- Senior Advisor, CVC Capital, London, United Kingdom
- Senior Fellow, Better Markets, Washington, D.C., United States
- CEO/CIO Credit Suisse Asset Management, Tokyo, Japan
- Head Trading/Sales, Citibank, Tokyo, Japan
- SVP, Citigroup, Tokyo, Japan
- Head Trading/Sales, Citibank, Zurich, Switzerland
- Head Trading/Sales, Citibank, Dubai, United Arab Emirates, and Manama, Bahrain

Board Committee Service:

- Chair, CFA Institute Board of Governors (FY2018)
- Advocacy Working Group (FY2016)
- Audit and Risk Committee (FY2017*)

- CEO Search Committee (FY2018, FY2019)
- Compensation Committee (FY2018, FY2019*)
- Compensation and Governance Committee (FY2014, FY2015)
- Education Working Group (FY2015)
- Executive Committee (FY2015, FY2016, FY2017, FY2018*, FY2019)
- Planning Committee (FY2014, FY2015*, FY2016*)
- Nominating Committee (FY2018, FY2019*)
- Board of Governors Liaison, Standards and Advocacy (FY2017)

Additional Volunteer Experience:

CFA Institute

- Board of Trustees, CFA Institute Research Foundation

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, NN Group, NL

Education:

- Master of Arts, Johns Hopkins University
- Diploma, Aix-Marseille Université
- Bachelor of Arts, The American University

* Denotes the governor served as Chair.



Sunil Singhania, CFA

Governor Since: 2013

Age: 51

Country: India

Society Membership: India



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*, FY2019*)
- 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)

* Denotes the governor served as Chair.

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:

- President, Governing Council, Goregaon Sports Club, Mumbai, India

Education:

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

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

BOARD OF GOVERNORS

General

The Board of Governors is the highest governing authority of CFA Institute. It is responsible for overseeing the organization's vision, mission, and strategies and provides leadership through a policy-based approach. The Board is composed of 15 members—13 independent governors and 1 non-independent governor who serve in a volunteer capacity plus the President and CEO. They are from seven countries: Australia, China, India, Malaysia, 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

2.54
YEARS

GENDER DIVERSITY

67%
MEN

33%
WOMEN

REGIONAL REPRESENTATION

AMERICAS

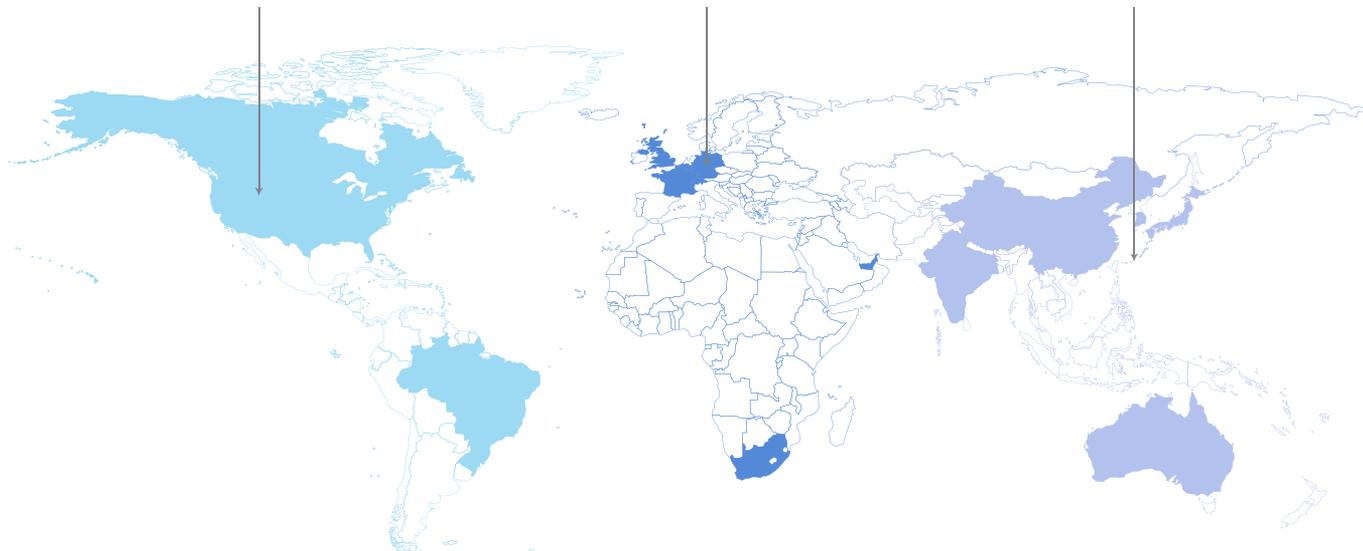
47%

EUROPE, MIDDLE EAST & AFRICA

20%

ASIA PACIFIC

33%

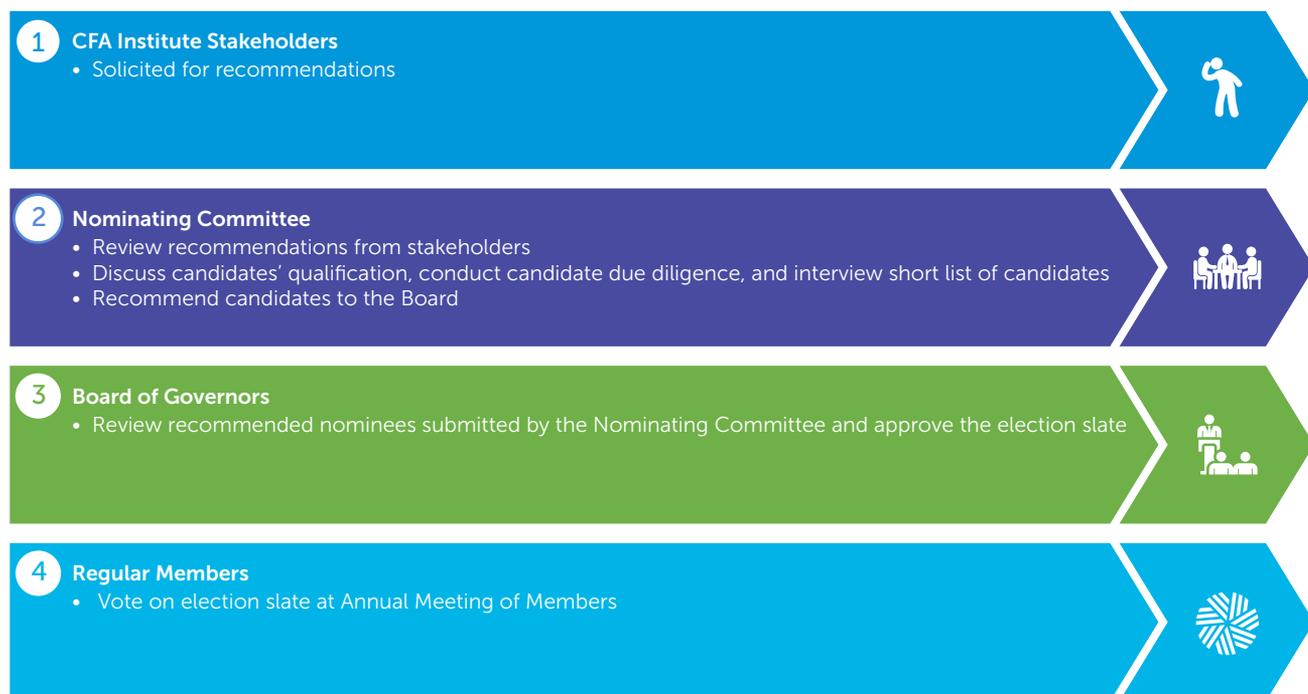


When considering individuals for nomination or re-nomination to the Board, the Nominating Committee (NC) reviews the guidance provided by the Board along with the skills and qualities outlined in the CFA Institute Bylaws. The NC evaluates the candidate pool and makes a recommendation to the Board to 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. During 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.

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.

Information Security and Data Privacy

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

The Information Security Office headed by the Chief Information Security Officer is responsible for the organization's enforcement of data privacy controls and comprehensive information security program, which includes a risk-based cybersecurity strategy, architecture, policies, standards, and processes. The organization's Global Data Privacy Officer advises the business on privacy regulations and assesses the effectiveness of data privacy controls within the enterprise.

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 was established in 2018 to begin the process of identifying the next incoming CEO, whose tenure will begin 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

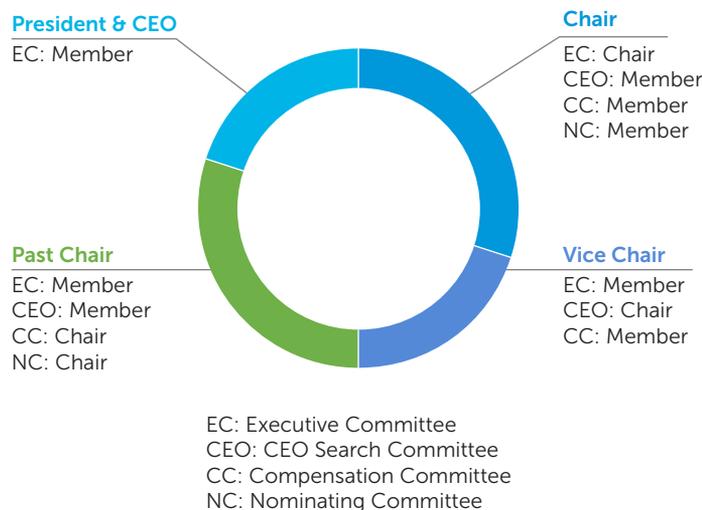
Board Leadership

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 and Alexander Birkin, CFA, are the only governors on our Board who are not independent. The remaining 13 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 CEO Search, 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 CFA Institute Research Foundation Board of Trustees; 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 CEO Search Committee Chair (and preside at its meetings) and 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;
- Serves as an ex officio member of the CFA Institute Research Foundation Board of Trustees; and
- Serve in an ambassadorial role for the organization.

Past Chair Responsibilities

- Serve as Chair of the Compensation and Nominating Committees (and preside at all meetings) and as a member of the Executive and CEO Search 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 as follows:

Fiscal Year 2019 Committees	Voting Members	Roles and Responsibilities
<p>Executive Committee</p> <p>The Committee Charter is posted on our website.</p>	<p>Board Members</p> <ul style="list-style-type: none"> • Heather Brilliant, CFA (Chair) • Robert Jenkins, FSIP • Daniel Gamba, CFA • Diane Nordin, CFA • Paul Smith, CFA 	<ul style="list-style-type: none"> • Managing the Board's functions and operations • Establishing and maintaining the lines of reporting and responsibility among Board committees, the Board, and management • Promoting sound Board and organizational governance and Board effectiveness, including recommendations to the Board • Providing oversight of the organization's implementation of and adherence to US public company standards • Evaluating the performance of the Board and its other committees • Providing oversight of and accountability to Board-related budget items and expenses
<p>CEO Search Committee</p> <p>The Committee Charter is posted on our website.</p>	<p>Board Members</p> <ul style="list-style-type: none"> • Diane Nordin, CFA (Chair) • Heather Brilliant, CFA • Robert Jenkins, FSIP • Yu Hua, CFA <p>Non-Board Members</p> <ul style="list-style-type: none"> • Frederic Lebel, CFA 	<ul style="list-style-type: none"> • 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 Board of Governors for approval • Coordinating the recruitment and evaluation of candidates, both internal and external, to receive nominations, to assess the suitability of candidates, and to interview candidates • Reporting the progress of the Committee's work at each Board meeting • Submitting its recommendation to the Board within the 18- to 24-month timeline
<p>Compensation Committee</p> <p>The Committee Charter is posted on our website.</p>	<p>Board Members</p> <ul style="list-style-type: none"> • Robert Jenkins, FSIP (Chair) • Heather Brilliant, CFA • Diane Nordin, CFA • Zouheir Tamim El Jarkass, CFA 	<ul style="list-style-type: none"> • Setting appropriate compensation and succession planning policies for CFA Institute • Evaluating the performance of the President and CEO and setting CEO compensation • Reviewing the compensation and all related plans, policies, and programs of the executive officers of CFA Institute
<p>Nominating Committee</p> <p>The Committee Charter is posted on our website.</p>	<p>Board Members</p> <ul style="list-style-type: none"> • Robert Jenkins, FSIP (Chair) • Alex Birkin • Heather Brilliant, CFA • Sunil Singhania, CFA <p>Non-Board Members</p> <ul style="list-style-type: none"> • Lamees Al-Baharna, CFA • Philip Graham, CFA • David Smith, CFA 	<ul style="list-style-type: none"> • Annually proposing Board nominees for the positions of governor • whose terms are expiring and for the positions of Chair and Vice Chair • Seeking and identifying nominees with the skill sets and diversity of characteristics appropriate to generate a properly balanced Board • Carrying out all activities required by the Awards Policy, specifically the identification, vetting, and selection of award nominees
<p>Audit and Risk Committee</p> <p>The Committee Charter is posted on our website.</p>	<p>Members</p> <ul style="list-style-type: none"> • Daniel Gamba, CFA (Chair) • Leah Bennett, CFA • Punita Kumar-Sinha, CFA • Geoffrey Ng, CFA • Zouheir Tamim El Jarkass, CFA 	<ul style="list-style-type: none"> • Overseeing risk management processes related to data security privacy • Monitoring compliance with data security standards and privacy regulations • Overseeing financial and audit systems • Overseeing processes for monitoring compliance as it relates to financial integrity • Evaluating and monitoring risks • Appointing, evaluating, compensating, and, if appropriate, terminating the independent auditor
<p>Investment Committee</p> <p>The Committee Charter is posted on our website.</p>	<p>Members</p> <ul style="list-style-type: none"> • Sunil Singhania, CFA (Chair) • Dan Fasciano, CFA <p>Non-Board Members</p> <ul style="list-style-type: none"> • Bob Dannhauser, CFA • Bjorn Forfang, CFA • Steven Gattuso, CFA 	<ul style="list-style-type: none"> • Providing strategic direction and oversight of the CFA Institute reserves
<p>Society Partnership Advisory Council (SPAC)</p> <p>The Council Charter is posted on our website.</p>	<p>Members</p> <ul style="list-style-type: none"> • Yu Hua, CFA (Co-Chair) • Maria Wilton, CFA <p>Non-Board Members</p> <ul style="list-style-type: none"> • Aaron Brown, CFA (Co-Chair) • James Bailey, CFA • Emily Dunbar • Jennifer Garbowicz, CFA • Bjorn Forfang, CFA 	<ul style="list-style-type: none"> • Monitoring and providing guidance on projects impacting member society strategy and support • Reviewing and providing feedback on the status and effectiveness of internal engagement with member societies

Fiscal Year 2018 Board and Committee Meetings Held and Member Attendance

In fiscal year 2018, the Board met nine times, and average attendance at the Board meetings was 75%. 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 3 hours and the full Board meetings running for approximately 10 hours. Other meetings were held via conference call, each lasting approximately one hour.

The table below shows the composition and the number of meetings held by each committee in fiscal year 2018.

Governors	Board (9 Meetings)	Executive Committee (8 Meetings)	Compensation Committee (6 Meetings)	Nominating Committee (12 Meetings)	Audit and Risk Committee (8 Meetings)	Investment Committee (7 Meetings)	Society Partnership Advisory Council (6 Meetings)	CEO Search Committee (6 Meetings)
Leah Bennett, CFA	9				7			
Heather Brilliant, CFA	9	7	6					5
Elizabeth Corley, FSIP, CBE**	3			5				
Daniel Gamba, CFA	9				6		6*	
Robert Jenkins, FSIP	8*	8*	5	11				5
Mark Lazberger, CFA	4							
Frederic Lebel, CFA	9	8	6*	11*				6
Colin McLean, FSIP	7							
Diane Nordin, CFA	9	7			8*			5*
Sunil Singhania, CFA	7			11		7*		
Paul Smith, CFA	8	6						
George Spentzos, CFA, FSIP	9				6	6		
Lynn Stout***	2							
Zouheir Tamim El Jarkass, CFA	7		5		7			
Maria Wilton, CFA****	3							
Yu Hua, CFA	5						5	5

* Board and/or Committee Chair

** Elizabeth Corley, FSIP, CBE, term ended 31 January 2018.

*** Lynn Stout passed away 16 April 2018.

****Maria Wilton, CFA, joined the Board on 1 March 2018.

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 2018 in connection with Board members' attendance at meetings of the Board and its committees.

Category	Board Meetings	Outreach Activities	Total Category
Transportation	\$363,434	\$203,536	\$566,970
Lodging & Meals	\$291,899	\$38,407	\$330,306
Total Expense	\$655,333*	\$241,943	\$897,276

* In fiscal year 2018, the Board and/or its committees held in-person meetings in London, Charlottesville, New York, Hong Kong, and Vancouver.

CORPORATE GOVERNANCE

US Public Company Standards

The Board of Governors adopted 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, including CEO pay ratio.

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. 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 pay-for-performance metrics that are typically used in public company say-on-pay votes; and that CFA Institute does not use a peer group to measure organizational financial returns. CFA Institute has taken other measures to facilitate better accountability with respect to performance by enhancing transparency around executive compensation practices. The CFA Institute compensation philosophy, Annual Report, proxy statement, and Form 990 are available on our public website for stakeholders to view. Additionally, all CFA Institute managing director positions are reported in the proxy statement. The Compensation Discussion and Analysis also elaborates on CFA Institute executive compensation programs.

Enterprise Risk Management

Risk is inherent in every business. CFA Institute supports a culture of informed risk awareness in pursuit of its strategic objectives and mission achievement. The organization uses a formalized enterprise risk management (ERM) process that is designed to identify, evaluate, mitigate, and respond to potential risks that may affect the achievement of the organization’s strategic objectives and ability to 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 this role, the ARC, which consists of at least three independent governors 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 within 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, each shared with Legal & Board Services 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. The most recent assessment, conducted in fiscal year 2016, resulted in multiple enhancements to the program, including a review and update of the organization’s risk appetite statement, approved by the Board in February 2018.

The work of the risk management function is supported by defined risk owners across the organization who review and report on mitigation activity within their respective areas on a monthly basis.

In fiscal year 2018, Risk Management did not conduct a compensation risk assessment.

Compliance and Ethics

A commitment to ethical conduct is essential to our philosophy of excellence. We have adopted a Compliance & 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. Management is responsible for the day-to-day assessment and management of the organization's compliance risk, while the Board, as a whole and through the Audit and Risk Committee (ARC), has responsibility for the oversight of Compliance & Ethics. In this role, the ARC, which consists of at least three independent governors and is required to meet at least four times a year, is responsible for determining that the Compliance & Ethics framework and guidelines and the policies and processes for monitoring and mitigating compliance risk used by management are adequate to their purpose. Compliance & Ethics lives within the Compliance, Risk & Ethics division, headed by the Chief Compliance, Risk & Ethics Officer, who reports dually to the CEO and ARC.

Our Global Compliance & Ethics operational leader partners locally with two regional positions in APAC and EMEA, each shared with Legal & Board Services and Risk Management, to strengthen and support decentralized compliance risk ownership across the organization.

In its third year since establishment, the Compliance & Ethics department continues to implement foundational elements of the program, which were strategically developed around international best practices to appropriately support our global business operations. The Compliance & Ethics department partners closely with Legal & Board Services, Risk Management, and Internal Audit to ensure an integrated compliance risk management approach for the organization.

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 our stakeholders 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, expected conduct, workplace violence, and ethical decision making. In addition, we have a Code of Conduct for the Board of Governors that focuses on the role of the Board to establish a highly ethical "tone at the top" and addresses specific standards of conduct, such as conflicts of interest, confidentiality, corporate opportunities, and reporting obligations.

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

AUDIT MATTERS

Audit and Risk Committee Report

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

Audit and Risk Committee Fiscal Year 2019

Daniel Gamba, CFA (Chair)
Leah Bennett, CFA
Punita Kumar-Sinha, CFA
Geoffrey Ng, CFA
Zouheir Tamim El Jarkass, CFA

The Board has determined that the five Audit and Risk Committee members satisfy the financial literacy requirements of the NYSE and have the requisite experience to be designated an "audit committee financial expert," as that term is defined by rules of the SEC.

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

In performing its oversight function, the Audit and Risk Committee held eight meetings (three in person and five teleconferences) in fiscal year 2018. 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 2018 and 2017. 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 as well as provided all required disclosures regarding its 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 2018 and 2017 be included in the Annual Report.

Appointment of the Independent Public Accounting Firm

The Audit and Risk Committee has appointed KPMG as the organization's independent public accounting firm for fiscal year 2019. 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 following:

- 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 its independence.

PricewaterhouseCoopers LLP was the organization's independent auditor from 2002 to 2018.

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 2018 and 2017 (in thousands):

	2018	2017
Audit ^(a)	\$486	\$363
Audit related ^(b)	15	43
Tax ^(c)	321	247
Total	\$822	\$653

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

(b) Fees for professional services rendered for the 401(k) audit for CFA Institute standalone. An additional \$25,000 paid in fiscal year 2019 toward the fiscal year 2018 audit (timing of invoice receipt/payment).

(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 its pre-approval and the fees for the services performed.

COMPENSATION DISCUSSION AND ANALYSIS

Philosophy and Objectives of Our Executive Compensation Program

The compensation philosophy of CFA Institute is designed to attract, reward, and retain top-level executive talent. The compensation philosophy aligns with our mission and cultural values and further reinforces our results-driven focus 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 as follows:

- 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 not-for-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 CC 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 independent consultants to provide necessary compensation 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. In addition to the CEO, the Chief Compliance, Risk & Ethics Officer (CCREO) reports directly to the Board, while the General Counsel, Chief Legal Officer (CLO) has a dual reporting relationship to the CEO and the Board Chair. The compensation for both the CCREO and CLO is reviewed and approved by the CC.

Successful and sustainable delivery against the mission is at the forefront of our executive compensation program. As an organization, we value the development of strong goals for our executives. We focus on selecting the right metrics to measure 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 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 toward 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 advisers 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 CCREO 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 toward 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 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 2018 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 relevance 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 the following:

- 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 2018 executive study and is not meant to be exhaustive. It is important to note that the CC has engaged a new global management consulting firm to conduct the 2019 executive study. This change was made to ensure the comparables for the 2019 study are current and relevant and that the salary benchmarks derived through this independent review are sound and legally defensible.

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 include pay levels from the global markets in which our offices are located.
Pay data are collected from publicly disclosed IRS Form 990s.	Data are summarized by location and size of organization.	Third-party survey data are used, focusing on PhD-granting universities.	Data are sourced from third-party general industry survey providers.
		Publicly disclosed pay data are used, focusing on the top 50 business schools.	The data cover 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 regard 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	2018 Compensation Actions
Annual Base Salary Regular annual salary of the executive	Provides fixed level of competitive compensation to attract, motivate, and retain executive talent Compensates executives for their level of responsibility, relative expertise, and experience	Effective 1 November 2018, the following salary increases were approved: 12.5% for MD, Services Delivery 6.7% for MD, Credentialing 13.1% for MD, Chief Legal Officer Salaries of all other executives stayed the same
Annual Incentive Plan Offers opportunities that are set as a percentage of base salary President and CEO may earn up to 100% of base salary 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 2018 was determined by the Compensation Committee of the Board at 85% of base salary The fiscal year 2018 incentive for the Deputy Chief Executive Officer was 51% of base salary Annual incentives for all other managing directors for fiscal year 2018 ranged from 39% to 45% The average managing director incentive awarded was approximately 43%

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 United States. 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 £1.03 million. A restoration benefit provides an additional cash payment, equal to the pension contributions for which employees qualify but cannot receive because of Her Majesty's Revenue & Customs (HMRC) limits. All UK employees are eligible for a restoration payment, if applicable.

Other Benefits/Allowances

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

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

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

CFA Institute Executive Severance Plan

Pursuant to the terms of the CFA Institute Executive Severance Plan, CFA Institute offers fair transition packages to eligible departing executives. 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 and a minimum of 26 weeks' salary. The transition package would also include extension of health care benefits for the duration of the severance pay period, a bonus, and outplacement services.

CEO Pay Ratio

Section 953(b) of the Dodd–Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K promulgated by the SEC requires public companies to report the CEO pay ratio. As a gesture of good faith and total disclosure, we are providing the pay ratio of the annual total compensation of our CEO compared to the annual total compensation of our median employee (the "CEO Pay Ratio") for fiscal year 2018. In order to identify our median employee, we (i) analyzed annual base salary, bonus, and overtime compensation information, (ii) annualized the compensation of employees hired during 2018, (iii) utilized the exemption permitted under Item 402(u) of Regulation S-K to exclude 15 employees from two countries – India and China (which, in the aggregate, represented less than 5% of our total employee population as of 31 August 2018, resulting in a net employee population of 574 employees, and (iv) adjusted non-US employee pay applying foreign currency translation rates.

For 2018, the Company's last completed fiscal year:

- the annual total compensation of our median employee, a US-based manager-level employee, for purposes of determining the CEO Pay Ratio, was \$97,882; and
- the annual total compensation of our CEO for the purposes of determining the CEO Pay Ratio was \$1,096,010.

Based on this information, for 2018, the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees was estimated to be 11:1. To provide further context to this ratio, the following comparable information is being provided:

- S&P Global* – 434:1
- Financial Services Industry – 150:1
- Organizations with fewer than 2000 employees – 45:1
- Organizations with less than \$1B USD in revenues – 47:1

* S&P is the parent company of four entities: S&P Global Ratings, S&P Global Market Intelligence, S&P Dow Jones Indices, and S&P Global Platts. They publish their combined narrative of all four under S&P Global.

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 2018 (sorted by 2018 earnings). The amounts are shown in US dollars.

Name and Position	Fiscal Year	Base Salary ¹	Incentive ²	LTI ³	Retirement Restoration ⁴	Retirement Plan Contribution ⁵	Other ⁶	Total ⁷
Paul Smith, CFA^{8,9,11} President & CEO	2016	\$599,219	\$509,336	\$51,294		\$160,132	\$182,331	\$1,502,312
	2017	\$598,059	\$480,000			\$130,564		\$1,208,623
	2018	\$592,410	\$503,600			\$125,715	\$101,700	\$1,323,426
Bjorn Forfang, CFA Deputy CEO (hired 16 May 2016)	2016	\$138,542	\$55,699					\$194,241
	2017	\$475,000	\$285,000		\$40,400	\$36,550	\$10,640	\$847,590
	2018	\$475,000	\$242,300		\$58,800	\$33,600	\$0	\$809,700
Kurt Schacht, CFA MD, Standards & Advocacy	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
	2018	\$370,800	\$148,400		\$27,670	\$32,400	\$12,815	\$592,085
Diane Basile, CFA Chief Financial Officer (hired 17 Jan 2017)	2016							\$0
	2017	\$208,212	\$80,000			\$12,950	\$84,794	\$385,956
	2018	\$335,000	\$150,800			\$49,800	\$12,110	\$547,711
Nick Pollard^{9,11} MD, APAC (hired 18 Apr 2016)	2016	\$120,068	\$36,061			\$20,176	\$12,007	\$168,136
	2017	\$324,367	\$129,934			\$58,270	\$34,552	\$547,123
	2018	\$321,328	\$144,600			\$33,739	\$36,322	\$535,989
Chris Ainsworth MD, Human Resources (hired 19 Jun ,2017)	2016							\$0
	2017	\$61,364	\$25,000			\$3,000	\$115,899	\$205,263
	2018	\$300,000	\$135,000			\$39,000	\$16,953	\$490,953
Gary Baker, CFA^{10,11} MD, EMEA & Research (hired 19 Sep 2016)	2016							\$0
	2017	\$302,359	\$117,522			\$22,880		\$442,761
	2018	\$324,148	\$158,600				\$0	\$482,748
Sheri Littlefield MD, Chief Legal Officer (hired 17 Jun 2015)	2016	\$290,000	\$101,500		\$9,743	\$31,800	\$60,543	\$493,586
	2017	\$290,000	\$102,000		\$15,282	\$32,400		\$439,682
	2018	\$290,000	\$130,500		\$14,640	\$32,400	\$10,850	\$478,390
Steve Horan, CFA, CIPM MD, Credentialing	2016	\$300,000	\$114,000	\$30,000	32784	\$31,800	\$93,945	\$602,529
	2017	\$300,000	\$114,000		\$18,083	\$32,400		\$464,483
	2018	\$300,000	\$120,000		\$17,280	\$32,400	\$0	\$469,680
Elaine Cheng MD, Chief Information Officer	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
	2018	\$295,000	\$115,000		\$16,800	\$32,400	\$0	\$459,200
Michael Collins MD, Service Delivery (hired 13 Jan ,2016)	2016	\$178,182	\$70,882			\$14,208	\$79,901	\$343,173
	2017	\$280,000	\$134,400		\$5,920	\$32,400		\$452,720
	2018	\$280,000	\$126,000		\$17,328	\$32,400	\$0	\$455,728
Nitin Mehta, CFA^{10,11} MD, Member Value (retired 31 Dec 2017)	2016	\$322,093	\$105,684	\$30,195		\$82,040	\$102,622	\$642,634
	2017	\$265,154	\$90,081		\$54,909		\$16,670	\$426,814
	2018	\$111,387					\$350,208	\$461,595
Emily Dunbar^{10, 11} MD, Member Value & Society Relations (promoted 01 Dec 2017)	2016							\$0
	2017							\$0
	2018	\$248,119	\$133,200				\$0	\$381,319

Name and Position	Fiscal Year	Base Salary ¹	Incentive ²	LTI ³	Retirement Restoration ⁴	Retirement Plan Contribution ⁵	Other ⁶	Total ⁷
John Bowman, CFA MD, Americas (retired 02 Jan 2018)	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
	2018	\$100,568			\$12,912	\$11,086	\$192,397	\$316,962
Darin Goodwiler MD, Chief Compliance, Risk & Ethics Officer (retired 31 Oct 2018)	2016	\$198,864	\$69,473			\$23,719	\$86,573	\$378,629
	2017	\$210,000	\$84,000		\$2,880	\$32,400		\$329,280
	2018	\$226,667			\$3,280	\$34,000	\$0	\$263,947

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) program has been terminated, and there are no payouts for FY2018. 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 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 shown in 2016 and included in the "Other" column (6).
- (4) Restoration earned in that fiscal year. Amounts reflect payment made in order to compensate executives for the unfunded retirement/pension contributions due to government-imposed compensation and/or contribution limits. US annual compensation cap for 401(k) contributions was \$265,000 for calendar year 2016, \$270,000 for calendar year 2017, and \$275,000 for calendar year 2018. 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 2014–15 tax year were £50,000 per year and £1.5 million lifetime; the limits were then reduced to their current levels of £40,000 per year and £1.25 million lifetime.
- (5) Employer retirement contributions made to the executive's retirement or pension plan.
- (6) Amounts reported in the "Other" column if total value is \$10,000 or more.
 - The amounts for Mr. Smith reflect tax equalization payments due to days spent working in the United States versus future tax equalization payments due to Mr. Smith's relocation to the United States.
 - 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 United States in May 2014. 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 \$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.
- (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.
- (9) Mr. Smith and Mr. Pollard are paid in Hong Kong dollars. The US dollar equivalents are shown in the table above. HKD to USD conversion rates used in 2016, 2017, and 2018 are 0.129, 0.129, and 0.127, respectively.
- (10) Mr. Baker, Ms. Dunbar, and Mr. Mehta are paid in British pounds. The US dollar equivalents are shown in the table above. GBP to USD conversion rates used in 2016, 2017, and 2018 are 1.442, 1.266, and 1.410, 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, INCLUSION, AND CITIZENSHIP

Diversity and Inclusion

At CFA Institute, increasing diversity and inclusion (D&I) is not only consistent with our mission and values; it is the right thing to do. Improving D&I also enables us to (1) create a safe and welcoming workplace, (2) attract and retain top talent, (3) increase employee engagement, and (4) create products and services that better serve our diverse stakeholders. The CFA Institute Diversity & Inclusion Council, which comprises 12 staff members from six offices around the globe, leads the organization in making progress on our D&I vision and goals.

Key Accomplishments

Established Business Resource Groups (BRGs): Our first three employee-led BRGs were established in early 2018 with the intention of bringing diverse perspectives from within the organization to help achieve our strategic goals. The groups – Institutional Awareness of Minorities (IAM), Pride at Work (PAW), and Women’s Initiative Network (WIN) – all received significant interest, participation, and attendance throughout fiscal year 2018.

Employee resources: The Council developed a set of online D&I resources, including tips for working with people who speak English as a second language; this has been useful when working with colleagues, and volunteers and for the Global Contact Center.

Online discussion: More than 300 employees (nearly 50% of all employees) participated in an initial D&I Yammer chat, paving the way for future engagement.

Cultural awareness: Employees across offices recognized numerous cultural celebrations, including National Hispanic Heritage Month, India Independence Day, the UN International Day of Persons with Disabilities, Veterans Day, International Women’s Day, and Pride Month, among others. Events included sponsorship of LGBTQ Pride parades, Safe Space Training, and a women in business panel. The IAM BRG distributed wristbands saying #IAMCvilleStrong, to commemorate the events of 12 August 2017 in Charlottesville, Virginia.

Measuring Progress

The 2018 D&I work plan was based on input from focus groups in 2017 that evaluated the organization relative to the [Global Diversity & Inclusion Benchmarks](#), giving a rating of 2 (reactive) out of 5. In 2018, we used this same freely available tool with nearly 80 investment firms in North America, and their average rating was 2.7.

In 2018, CFA Institute added several D&I-related questions to our employee engagement survey conducted by Gallup. This further enabled us to establish benchmarks for measuring inclusion and capture meaningful and measurable trend data.

Future Plans

In addition to continuing efforts like those discussed above, CFA Institute will be an Experimental Partner in 2019–2020 alongside investment firms that have committed to implement some of the action items surfaced in our report “[Driving Change: Diversity & Inclusion in Investment Management](#).” Specifically, we will focus on communication tools for leaders, integrate unconscious bias training into new and existing training programs, and introduce stay interviews (in addition to exit interviews) as a way to retain talent and proactively discuss issues related to the inclusiveness of the organization’s culture.

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. Corporate Citizenship’s mission is to establish and maintain programming 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.

Our increasing community presence stands as one such practice. In fiscal year 2018, we continued our Strategic Community Partnership with the Center for Nonprofit Excellence and the Senior Center (recently renamed, “The Center”). Through these partnerships, we provided hundreds of community members and nonprofit leaders with enhanced investor education by leveraging CFA Institute resources, knowledge, and expertise. Corporate sponsorships, like funding for local festivals and events, help us reach an even more diverse audience and demonstrate our commitment to the cities where our employees and members live and work.

In our ongoing organizational efforts to promote and enhance diversity, we were pleased to collaborate with our newly formed Business Resource Groups to reach women, minorities, and the LGBTQ community through a series of new sponsorships. Employees and community members alike benefited from these opportunities to showcase and learn from our vibrant global community.

In addition to engaging with communities around the globe, 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 this year 221 employees used the Volunteer Time Off benefit to spend 2,150 hours volunteering at local schools, parks, and nonprofits.

In the realm of sustainability, CFA Institute received the results of our first formal organizational carbon footprint.

This information is being leveraged to develop goals and strategies for reducing our environmental impact in line with organizational priorities related to operational efficiency and cost reductions. We have recently completed data collection for our second annual carbon footprint and intend to continue to track our outcomes in this arena year over year.

Metrics regarding sustainability are increasingly used by our members to determine some of the risks and opportunities of potential investments, and we believe that our members should be able to evaluate our performance along similar lines. For these reasons, sustainability reporting continues to be an area of focus for the Corporate Citizenship team. In fiscal year 2019, the Corporate Citizenship team will use the results of our carbon footprint analysis to establish science-based targets for the reduction of greenhouse gas emissions. We are exploring opportunities and formats for reporting our results publicly — an industry best practice. We also continue to explore related recognitions, reporting standards, and alignments that will provide transparent insights into our organization’s operations, as well as demonstrating our commitment to continual improvements in the realms of sustainability and corporate social responsibility.

Environment

- 9,762 pounds of electronics recycled
- 554 cubic yards of post-use recycling = 69 dumpsters not in landfill
- 59,765 kWh solar power generated = 45 metric tons of CO2 avoided

Volunteering

- 2,150 hours of service through volunteer time off
- 13 years of volunteerism to United Way Day of Caring: ≈80 participants in 2018

Strategic Community Partnerships

- 3 strategic community partners
- ≈350 students, seniors, and nonprofit works reached with CFA Institute-sponsored investor education

Donations

- 1,100+ toiletries donated to the homeless
- 400 office items donated to 22 nonprofit organizations

INFORMATION ABOUT THE MEETING AND VOTING

Recommendations

The CFA Institute Board of Governors recommends that each Regular Member vote FOR (i) the approval of the amendment to the CFA Institute 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 four nominees to serve as members of the Board of Governors.

Quorum

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

Voting

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

Annual Report

The [Annual Report](#) of CFA Institute for the fiscal year ended 31 August 2018, including consolidated financial statements, is available on our website and proxy site.

Compensation Philosophy

The objectives of our [executive compensation program](#), along with the past three years of proxy statements and past three years of US Internal Revenue Service Form 990 tax returns for CFA Institute, are available on our website.

Appendix: Amended CFA Institute Bylaws

The CFA Institute Bylaws as amended per the proposed changes.

Accessing the Annual Meeting of Members Remotely

The Annual Meeting of Members will be held at the Queen Elizabeth II Center, Mountbatten Room, Broad Sanctuary, Westminster, London SW1P 3EE, United Kingdom, on Friday, 10 May 2019 at 12:45 p.m. British Summer Time.

During the meeting, please visit www.virtualshareholdermeeting.com/CFA19. You may attend the live audio webcast 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: Amended CFA Institute Bylaws

CFA Institute (A Virginia Nonstock Corporation) BYLAWS Amended May ____ 2019

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) 4,000 hours ~~four (4) years~~ of Acceptable Professional Work Experience completed during a period of not less than 36 months and passage of Level I of the CFA Program, or such other appropriate examination approved by the Board;
 - (ii) 4,000 hours ~~four (4) years~~ of Acceptable Professional Work Experience completed during a period of not less than 36 months and passage of a standards of professional conduct examination approved by the Board;
 - (iii) be a Charterholder Member; or
 - (iv) 4,000 hours ~~four (4) years~~ of Acceptable Professional Work Experience completed during a period of not less than 36 months 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.

