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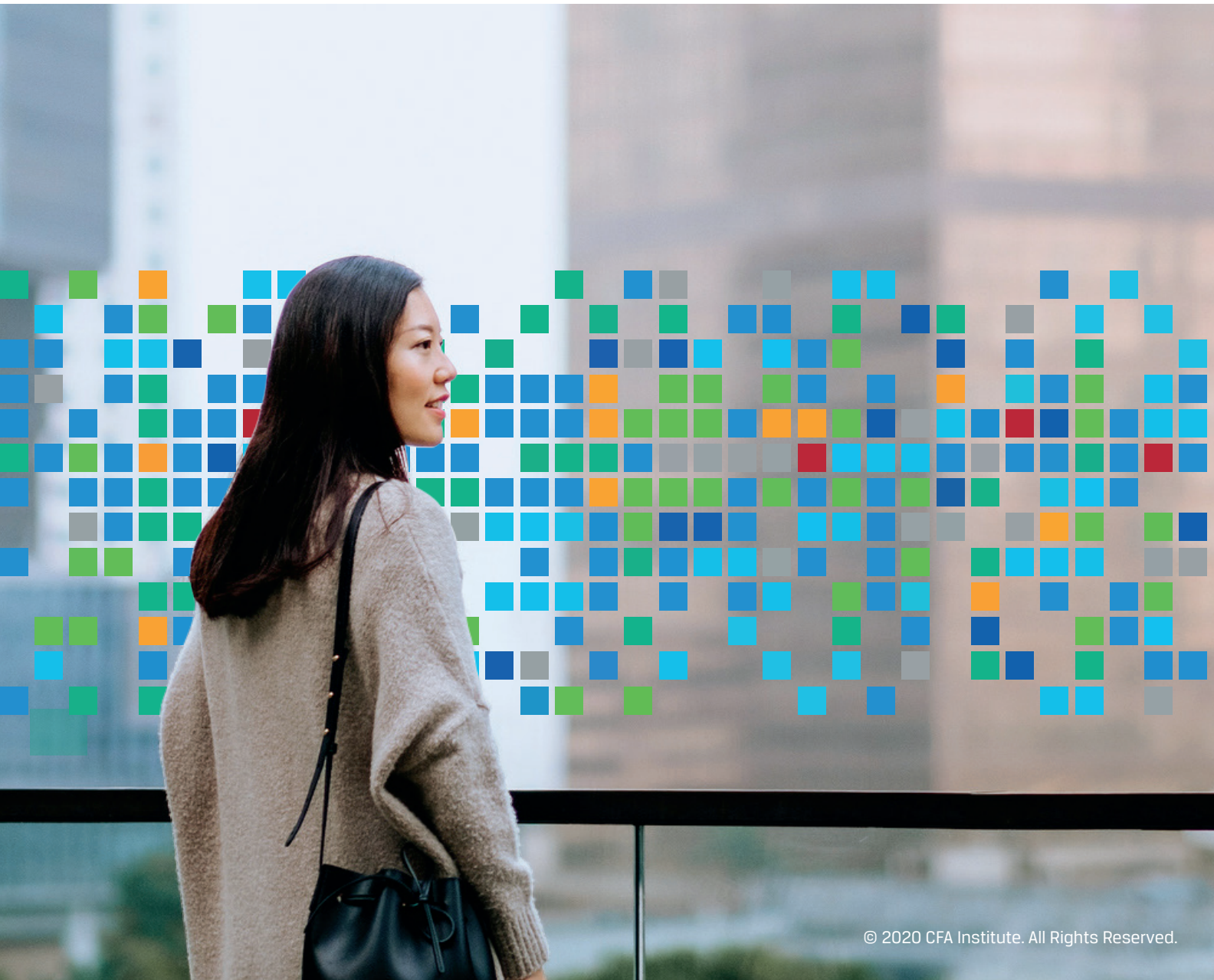
Footnote on the bottom of page 55 details the changes made.



CFA Institute

2020 PROXY STATEMENT & NOTICE OF ANNUAL MEETING OF MEMBERS

17 May 2020



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MESSAGE FROM THE CHAIR

DEAR FELLOW MEMBERS,

In this proxy statement, we present candidates for the Board of Governors of CFA Institute, as well as proposed changes to the Articles of Incorporation and Bylaws to help continue to improve our governance. We would sincerely appreciate it if you would take the time to review these materials and vote: Every vote counts and makes a difference.

I would like to update you on the Board's approach to governance. We strive, wherever possible and appropriate, to follow public company standards of governance. While we are a not-for-profit entity, we believe that, as advocates for integrity in the public markets and in financial reporting, we should follow public company standards. We have adopted a policy of rotating our auditors, and thus our Annual Report and financials have been audited by KPMG LLP for fiscal year 2019. Our Board committee structure mirrors that of a public company, and we believe this approach gives us greater focus and allows us to best utilize the varied and deep skills of our all-volunteer Board.

The proposed changes to the Bylaws at the Annual Meeting of Members will enable the Chair to be recommended by the Board and elected annually by the membership to serve consecutive one-year terms. At present, the Chair can only serve a single one-year term. This has been our practice for many years. However, after much research and discussion, we believe the organization would be better supported by having the Chair serve for a minimum of three to a maximum of six consecutive one-year terms, continuing in a pro bono capacity. The Board Chair plays a significant role in our organization, and we believe a longer tenure for the Chair will provide for greater continuity and be in accordance with governance best practice. I should note that this proposed change does not apply to my term; my tenure as Board Chair will conclude at the end of our fiscal year, 31 August 2020. Likewise, all currently serving governors will not be eligible to serve consecutive terms as Chair.

We have a prescribed and thorough nominating process for governors. The Board strives to ensure we have the necessary experience and perspectives to properly guide CFA Institute. The Board's role is to provide oversight, insight, and foresight. We continually probe, tease, test, and challenge our strategy and assumptions to ensure the organization is properly aligned to achieve our strategy. We need the right mix of governors in order to do this.

We conduct an annual analysis of governor skills and our upcoming areas of need to inform the nominating process and to ensure we strike the right balance with the skills and experience that each governor brings. The nominations and search process began in September 2019 and continued through January 2020. The Board received and considered 45 external applications. Details as to how candidates were sourced and vetted can be found here: [The Board of Governors Nomination Process](#).

After conducting an in-depth review process, the Nominating Committee arrived at a short list of six external candidates, each of whom was interviewed and later discussed at length. A similar process for officer positions took place. Final recommendations were then presented to the Board for its full consideration. I am pleased to inform you that the Board unanimously supports the nominations before you.

The Board spent a significant amount of time in the last fiscal year on the CEO succession process. As you know, Paul Smith, CFA, gave us ample notice of his retirement, and so the Board conducted a thorough search, which resulted in the appointment of Margaret Franklin, CFA, as our new President and CEO.



Diane C. Nordin, CFA

Chair, CFA Institute Board of Governors

“We continually probe, tease, test, and challenge our strategy and assumptions to ensure the organization is properly aligned to achieve our strategy.”

Under Marg's leadership, we expect to stay the course in terms of our fundamental strategy and also propel the organization forward by bringing intense focus to the initiatives we have underway, such as computer-based testing and ongoing professional learning. Marg brings deep experience and real passion to our work, and the Board and I could not be more pleased with the outcome of our search.

As part of the transition, the Board and I have agreed with Marg on carrying over five CEO priority goals for fiscal year 2020. They are:

- 1 Societies 2.0 strategy
- 2 Organizational culture
- 3 Professional learning for our members
- 4 Society technology
- 5 Future of Exam Delivery

The Board of Governors will support Marg, her leadership team, and the staff of CFA Institute on delivering these goals.

Please help by reviewing the enclosed materials and voting on the matters put before you. It is an important element of your role as a member of CFA Institute.

Thank you in advance for your support.

Best regards,

A handwritten signature in black ink that reads "Diane C. Nordin". The signature is written in a cursive, flowing style.

Diane C. Nordin, CFA

Chair, CFA Institute Board of Governors



MESSAGE FROM THE PRESIDENT AND CEO

DEAR COLLEAGUES,

Throughout our long and distinguished history at the forefront of the investment management industry, CFA Institute has always had one foot firmly placed in the present—relying on the time-honored principles of ethics and fundamental investment analysis—and one eye on the future, developing future professionals and leading our industry forward to face new challenges.

As we enter a new decade, the challenges that lie before us are many: market disruption, technological advances, consolidation, fee compression, political unrest, and regulatory change, just to name a few. Yet as I near the midway point in my first year as your President and CEO, I feel more confident than ever in our organization's role and in our ability to lead our members and charterholders forward to meet those challenges.

Yet, we must continue to evolve, and evolve we will. Next calendar year, we are launching the first computer-based testing for Level I. This milestone represents a natural progression in our program and is in keeping with global testing best practices. Our new digital testing capabilities will better reflect the workplace practices of today, while enabling us to offer exam access to candidates wherever they are in the world.

We are also at work on a new professional learning ecosystem for our members and charterholders. It will be competency-based and offer multi-format, customizable content in a leading-edge learning experience. I am pleased to report that our societies and practitioners are playing a central role in the platform's development.

Looking ahead, I see a world in which CFA Institute is even more meaningful for the duration of one's career and where we will have even more impact and influence on our industry through our thought leadership and advocacy. The CFA Institute brand stands for integrity, excellence, and independence, and key to that is its neutrality. We're not commercially invested in a particular outcome, and we benefit enormously from our multi-stakeholder constituency from all corners of the world and from all parts of the industry. We have tremendous convening power, and when we capitalize on that convening power, we can accomplish powerful things together. An example of that is the work we are doing to develop an ESG standard to help dispel the confusion around ESG investing terminology; our role as a neutral arbiter of the GIPS® standards provides us the credibility to do so. And I believe that there is more we can do to utilize our position and influence to build a better industry for the ultimate benefit of society.

Thank you for your attention to this proxy statement and our Annual Report and for voting. By voting, you and your colleagues are electing the CFA Institute Board of Governors, specifically the Board Chair, Vice Chair, and two governors, plus the other proposals that are before the membership. I am personally grateful to the governors for all that they do in their volunteer capacity to support me and our organization.

Thank you in advance for your support.



Margaret Franklin, CFA

President and CEO
CFA Institute



Margaret Franklin, CFA
President and CEO, CFA Institute

“Looking ahead, I see a world in which CFA Institute is even more meaningful for the duration of one's career and where we will have even more impact and influence on our industry through our thought leadership and advocacy. The CFA Institute brand stands for integrity, excellence, and independence, and key to that is its neutrality.”



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In mainland China, CFA Institute accepts CFA® charterholders only.



NOTICE OF ANNUAL MEETING OF MEMBERS



DATE AND TIME

Sunday, 17 May 2020
12:00 p.m. Eastern Time
(New York, USA)

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



PLACE

CFA Institute
915 East High Street
Charlottesville, Virginia USA



AUDIO WEBCAST

Please use the following link to join the live audio webcast:
www.virtualshareholdermeeting.com/CFA20

Purpose

- 1 To approve amendments to the CFA Institute Articles of Incorporation and Bylaws.
- 2 To elect a Chair and a Vice Chair of the CFA Institute Board of Governors for fiscal year 2021.
- 3 To elect two governors, each to serve a term beginning 1 September 2020 and ending 31 August 2023.
- 4 To ratify the selection of an independent registered public accounting firm for fiscal year 2020.
- 5 To transact any other business that properly comes before the meeting or any adjournment.

All Regular Members at the close of business on 10 March 2020 will be entitled to vote at the meeting and any adjournments.

This notice and the Proxy Statement will be mailed on or about 19 March 2020 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 Friday, 15 May 2020.



BY INTERNET

Visit www.proxyvote.com 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

1a.

Amendment to the CFA Institute Articles of Incorporation

Board of Governors – Amend Article 5 of the Articles of Incorporation to clarify the voting requirement and implement majority voting in uncontested governor elections. In addition, remove references to Past Chair to sunset the position.

Approval requires two-thirds of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present.

► See page 14 for further information

✓ FOR

The Board recommends a vote FOR the amendment of the CFA Institute Articles of Incorporation

PROPOSAL

1b.

Amendment to the CFA Institute Bylaws

Article 2 – Definitions

"Past Chair" – Amend Article 2.14 of the Bylaws to clarify and update the definition.

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.

► See page 15 for further information

✓ FOR

The Board recommends a vote FOR the amendment of the CFA Institute Bylaws

PROPOSAL

1c.

Amendment to the CFA Institute Bylaws

Article 5 – Board of Governors

Composition and Qualification – Amend Article 5.2(a) of the Bylaws to remove the reference to Past Chair to sunset the position.

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.

► See page 15 for further information

✓ FOR

The Board recommends a vote FOR the amendment of the CFA Institute Bylaws

PROPOSAL

1d.**Amendment to the CFA Institute Bylaws****Article 6 – Officers**

Number, Designation, Qualifications – New Article 6.1(c) to the Bylaws that currently serving governors in fiscal year 2020 are not eligible to be nominated to serve consecutive terms as Chair commencing in fiscal year 2022.

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.

► See page 16-17 for further information

✓ FOR

The Board recommends a vote FOR the amendment of the CFA Institute Bylaws

PROPOSAL

1e.**Amendment to the CFA Institute Bylaws****Article 6 – Officers**

Election and Term – Amend Article 6.6(a)(iii) of the Bylaws to allow the Chair and Vice Chair to be eligible to serve consecutive terms commencing in fiscal year 2022.

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.

► See pages 16-17 for further information

✓ FOR

The Board recommends a vote FOR the amendment of the CFA Institute Bylaws

PROPOSAL

1f.**Amendment to the CFA Institute Bylaws****Article 7 – Committees**

Composition – Amend Article 7.2(b)(i) of the Bylaws to remove the reference to Past Chair to sunset the position.

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.

► See pages 15-16 for further information

✓ FOR

The Board recommends a vote FOR the amendment of the CFA Institute Bylaws

PROPOSAL

1g.**Amendment to the CFA Institute Bylaws****Article 9 – Nominating Process and Election**

Nominating Committee – Amend Article 9.1(b)(c)(d) of the Bylaws to remove the Chair as a designated member of the Nominating Committee.

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.

► See page 18 for further information

✓ FOR

The Board recommends a vote FOR the amendments of the CFA Institute Bylaws

PROPOSAL Amendment to the CFA Institute Bylaws**1h.****Article 12 – Amendment of the Bylaws**

Amendments by the Members – Amend Article 12.2(b) of the Bylaws to clarify the member approval requirement for Bylaw amendments.

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.

► See page 19 for further information

✓ FOR

The Board recommends a vote FOR the amendment of the CFA Institute Bylaws

PROPOSAL Election of Chair and Vice Chair**2**

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 plurality of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present.

► See pages 19-22 for further information

✓ FOR

The Board recommends a vote FOR the election of Daniel Gamba, CFA, as Chair and Maria Wilton, CFA, as Vice Chair of the CFA Institute Board of Governors for fiscal year 2021

PROPOSAL Election of Governors**3**

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 plurality of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present.

► See pages 22-24 for further information

✓ FOR

The Board recommends a vote FOR the election of Marshall Bailey, CFA, and Yimei Li, CFA, as governors of the CFA Institute Board of Governors, each to serve a term beginning 1 September 2020 and ending 31 August 2023

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. Each governor is expected to exhibit the below qualities at the highest level.

BUSINESS JUDGMENT

- focuses the Board on the organization's top priorities and use of resources
- handles complexity and ambiguity and simplifies issues to their essence to make sound business decisions
- looks ahead
- communicates strategic insight to different environments

DEDICATION TO THE MISSION

- invests the time and effort into learning about the organization's needs and commits to staying current on these matters
- follows through with governor obligations
- possesses an objective skepticism

CULTURAL SENSITIVITY

- culturally aware and savvy
- sensitive to regional differences
- adapts well to change, new experiences, and people

INTERPERSONAL COMMUNICATION

- builds relationships with all kinds of people
- gains trust and support from others
- possesses diplomacy and tact
- listens and adjusts to others' input
- effectively balances speaking and listening

TONE AT THE TOP

- adheres to and lives by an appropriate and effective set of core values
- honest and truthful
- authentic, self-aware, and confident enough to "be oneself" and set the right "tone at the top" for the organization

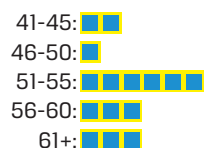
While the above competencies are required of all governors, the Skills Matrix below represents a sampling of the important qualities that each governor brings to the Board in fiscal year 2020. It is with the understanding that no one individual has all—or even most—of these qualifications, and the objective is to find a group of individuals who collectively have the right mix to lead the organization.

**GENDER DIVERSITY**

FEMALE

**REGIONAL DIVERSITY**

Knowledge of the Americas (AMER); Asia Pacific (APAC); or Europe, Middle East, and Africa (EMEA) regions.

REGIONAL DIVERSITY (AMER)**REGIONAL DIVERSITY (APAC)****REGIONAL DIVERSITY (EMEA)****GOVERNOR INDEPENDENCE****DIVERSITY OF AGE AND TENURE****AVERAGE AGE****55 years****AVERAGE SERVICE TENURE****2.53 years****DIVERSITY OF SKILLS & EXPERIENCE****CHARTERHOLDER****LEADERSHIP EXPERIENCE****CFA INSTITUTE VOLUNTEER EXPERIENCE****SOCIETY LEADERSHIP EXPERIENCE****PROFESSIONAL DIVERSITY****AUDIT****HUMAN RESOURCES****INFORMATION TECHNOLOGY****REGULATORY****CFA PROGRAM EXPERTISE****CORPORATE GOVERNANCE EXPERIENCE****PUBLIC COMPANY BOARD EXPERIENCE****NOT-FOR-PROFIT EXPERIENCE****EDUCATION EXPERIENCE****PROPOSAL****4****Ratification of Selection of Independent Registered Public Accounting Firm**

The Audit and Risk Committee of the Board of Governors believes that KPMG LLP should be designated to perform the fiscal year 2020 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.

► See pages 46-47 for further information

✓ FOR

The Board recommends a vote FOR the ratification of the selection of KPMG LLP as our independent registered public accounting firm for fiscal year 2020



INCLUSION AND DIVERSITY, CORPORATE CITIZENSHIP, AND ENVIRONMENTAL SUSTAINABILITY



COMMUNITY

VOLUNTEERISM

2,047 hours

of employee service to the community through the VTO benefit

14th year

of volunteerism through the United Way Day of Caring, and the 1st global volunteer day that had participation in all three regions

SPONSORSHIP

315

seniors and not-for-profit leaders reached through CFA Institute sponsored investor education

95%

of participants indicated they will leverage the education received for personal/professional purposes

DONATIONS

2,000

toiletries to the homeless, the food insecure, and domestic violence survivors

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 it is the goal of the Global Inclusion & Diversity, Corporate Citizenship, and Environmental Sustainability team to ensure that our internal operations align with the highest standards of ethics and integrity. Our mission is to establish and maintain strategies, policies, and practices that enhance our global communities, promote employee engagement, increase brand awareness, build our organization's reputation, and promote sustainability and corporate social responsibility.

Our community presence stands as one such practice. In fiscal year 2019, we continued our strategic community partnerships focused on providing hundreds of community members and not-for-profit leaders with enhanced investor education by leveraging CFA Institute resources, knowledge, and expertise. Corporate sponsorships of local festivals and events helped us reach a diverse audience and demonstrate our commitment to the cities where our employees and members live and work. Our employees continued to serve as ambassadors for the mission and goals of CFA Institute. In fiscal year 2019, 37% of employees used the Volunteer Time Off (VTO) benefit to spend 2,047 hours volunteering at schools, parks, and not-for-profits around the world. Community service through VTO allows us to celebrate curiosity, leverage our diverse talents, earn people's trust, and act ethically.

The Inclusion & Diversity Council (established in fiscal year 2018) continued to pursue its compelling vision: to create a welcoming and safe environment at CFA Institute where fairness, opportunity, and trust exist, allowing us to leverage the diverse talents and perspectives of our employees and volunteers to achieve our strategic objectives. In fiscal year 2019, the council implemented programs, training, policies, and initiatives aimed at increasing diversity in our workplace and instilling a broader culture of inclusion. Guided by the Global Inclusion & Diversity Benchmarks, we continued to work toward developing capabilities in talent acquisition and development, learning and education, leadership and accountability, and products and services. The appointment of a Head of Global Inclusion & Diversity is noteworthy. In fiscal year 2020, this new leader will establish an internal Inclusion and Community function to provide oversight for Corporate Citizenship globally and to support our burgeoning internal Inclusion & Diversity portfolio.



ENVIRONMENT

POST-USE OFFICE RECYCLING

Office paper

48.5 yd³

Aluminum

17.8 yd³

Glass

3.04 yd³

Plastics #1, 2, 3, & 4

23.51 yd³

Cardboard

203.19 yd³

Mixed paper

366.26 yd³

Total:

662.3 yd³

equivalent to 83 dumpster loads of landfill waste avoided

COMPOSTING

57.2 yd³

equivalent to 7 dumpster loads of landfill waste avoided

ELECTRONICS RECYCLING

CFA Institute employee neighborhood event on Earth Day yielded 6,178 pounds of sustainably recycled electronics

ROOFTOP SOLAR POWER GENERATION

Headquarters (Charlottesville) generated 60,134 kWh of solar power, equivalent to 42.5 metric tons of CO₂ avoided

Regarding environmental sustainability, in fiscal year 2019, CFA Institute became a signatory of the United Nations Global Compact, the world's largest corporate sustainability initiative. This CEO-level commitment to implement universal sustainability principles in the areas of human rights, labor, anti-corruption, and the environment aligns with our own responsible business practices and commitments. As participants in the United Nations Global Compact, we will uphold fundamental responsibilities to people and planet through global key performance indicators outlined in the 10 Principles and achieved through the 17 Sustainable Development Goals. To that end, we will report on our progress in these areas.

In fiscal year 2017, CFA Institute initiated an annual commitment to third-party measurement of greenhouse gas (GHG) emissions for all major CFA Institute operations, including offices in Charlottesville, New York, London, Brussels, Abu Dhabi, Mumbai, Beijing, and Hong Kong. It also covers data across material components of the CFA Institute value chain. According to S&P TruCost, the total GHG emissions for fiscal year 2018 were 28,006 metric tons CO₂e (tCO₂e), 2.5% lower overall than in fiscal year 2017. Scope 3 (indirect emissions via the value chain) was responsible for approximately 96% (26,830 tCO₂e) of the total estimated GHG inventory, which includes indirect emissions from upstream and downstream transportation and distribution, employee commuting, and business travel. Scope 2 (location-based) accounts for 4% of the total emissions while Scope 1 (direct operations) accounts for 0.2% (1,176 tCO₂e). Total purchased electricity consumption across the operations was 2,784,486 kWh while the total gas consumption was almost 32,998 m³. The S&P TruCost evaluation indicates that CFA Institute is a leader in comparison to our not-for-profit peers.

Several efforts were undertaken in fiscal year 2019 to both minimize the organization's carbon footprint and create awareness of our environmental impact. At a leadership level, we implemented strong, "tone at the top" messaging related to sustainability, encouraging employees to prioritize environmental sustainability and a conscious approach to our operations wherever possible. In addition, we have taken several concrete steps to improve our impact, including the commissioning of the carbon footprint analysis itself. The appointment of global liaisons in APAC and EMEA further demonstrates our commitment to the prioritization of environmental sustainability. We also initiated a first-of-its-kind purchase of carbon offsets through Habitat for Humanity as a pilot initiative in our headquarters location. As a result of fiscal year 2019 calculations, the entire organization's carbon footprint will be offset through an emerging markets aligned model in fiscal year 2020.



GOVERNANCE MATTERS

AMENDMENTS TO THE CFA INSTITUTE ARTICLES OF INCORPORATION AND BYLAWS

PROPOSAL 1A. ARTICLES OF INCORPORATION / AMEND ARTICLE 5 – BOARD OF GOVERNORS

Rationale

This amendment provides clarification to the voting requirement for the election of governors in accordance with the Virginia Nonstock Corporation Act (VNCA), which is applicable to CFA Institute. Under the VNCA, directors are elected by a plurality of the votes cast by the members entitled to vote in the election at which a quorum is present. In addition, the amendment establishes a majority voting standard for uncontested governor elections.

The amendment further removes reference to the Past Chair as the Board of Governors recommends that this position be discontinued and the Chair position become eligible for nomination for election annually to serve consecutive terms.

Recommendation

The Board of Governors recommends that each Regular Member vote FOR the amendment to the CFA Institute Articles of Incorporation.

Amendment

Article 5 – Board of Governors

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

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

The President shall serve as an *ex officio* member of the Board for a term concurrent with his or her respective term in office. Except as set forth in the last sentence of this Article 5, other Governors shall be elected by the Regular Members of CFA Institute at the annual meeting of members and each serve for a term of three (3) years, staggered so that, as nearly as possible, the terms of one-third (1/3) of such Governors shall expire at the end of the CFA Institute fiscal year. Each Governor shall be elected by the Regular Members of CFA Institute entitled to vote in the election by the vote of a majority of the votes cast with respect to the nominee at any meeting for the election of Governors at which a quorum is present, provided, however, that the Governors shall be elected by a plurality of the votes cast by the Regular Members of CFA Institute entitled to vote in the election of Governors at any meeting of Regular Members of CFA Institute for which the Secretary of CFA Institute receives a notice that a Regular Member has nominated a person for election as a Governor in compliance with Article 9.5 of the Bylaws and such nomination has not been withdrawn on or prior to the tenth (10th) day preceding the date CFA Institute first mails its notice of meeting for such meeting to the Regular Members. For purposes of this Article 5, a majority of the votes cast means that the number of votes cast "for" a nominee's election must exceed the votes cast "against" such nominee's election. Each Governor shall serve until the election and qualification of his or her successor. In the event that any ~~Past Chair~~, Chair or Vice Chair is either (i) not an elected Governor immediately prior to serving in such office or (ii) an elected Governor whose term on the Board has or would otherwise expire prior to or during his or her term in such office, the ~~Past Chair~~, Chair or Vice Chair shall serve as an *ex officio* member of the Board for a term concurrent with his or her term in office.

PROPOSAL 1B. BYLAWS / AMEND ARTICLE 2.14 – "PAST CHAIR"

Rationale

This amendment provides clarification that the individual shall be a Regular Member. The Board of Governors recommends that the position of Past Chair be discontinued; however, the definition is maintained in the Bylaws to identify the individual to serve on the Nominating Committee.

Recommendation

The Board of Governors recommends that each Regular Member vote FOR the amendment to the CFA Institute Bylaws.

Amendment

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:

2.14 "Past Chair" is the Regular Member individual who previously served as the Chair immediately prior to the currently serving Chair's term.

PROPOSAL 1C. BYLAWS / AMEND ARTICLE 5.2(A) – COMPOSITION AND QUALIFICATION

PROPOSAL 1F. BYLAWS / AMEND ARTICLE 7.2(B)(I) – COMPOSITION

Rationale

These amendments remove references to the Past Chair as the Board of Governors recommends that this position be discontinued and the Chair position become eligible for nomination for election annually to serve consecutive terms. The Board of Governors will revise the position to an informal role of mentor with no formal duties.

Recommendation

The Board of Governors recommends that each Regular Member vote FOR the amendments to the CFA Institute Bylaws.

Amendments

Article 5 – Board of Governors

5.2 Composition and Qualification.

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

Article 7 – Committees

7.2 Executive Committee.

(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.

PROPOSAL 1D. BYLAWS / NEW ARTICLE 6.1(C) – NUMBER, DESIGNATION, AND QUALIFICATIONS

PROPOSAL 1E. BYLAWS / AMEND ARTICLE 6.6(A)(III) – ELECTION AND TERM

Rationale

These amendments provide that the Chair, along with the Vice Chair, may serve consecutive one-year terms and governors currently serving on the Board of Governors (Board) will not be eligible to serve consecutive terms as Chair.

In fiscal year 2019, the Board formed a Governance Working Group (GWG) to continue its ongoing process to improve Board effectiveness. The purpose of the GWG was to review the tenure and related aspects of the Chair position. The GWG was tasked with the following duties and responsibilities.

- Evaluate the single one-year term of the Chair position to determine how to:
 - enhance alignment with organizational goals;
 - strengthen leadership of the organization and retention of institutional memory; and
 - foster engagement between the Chair and CEO.
- Review for relevant insights the report and documentation of the previous GWG convened in 2016.
- Interview incumbent and prior Board officers, external advisors, management, and others as appropriate.
- Review the job descriptions for Board member positions to update the scope of activities to balance the duties and responsibilities for each role.
- Recommend appropriate actions, including amendments to the Articles of Incorporation and Bylaws required to implement improvements to the Chair or related officer positions.

The review identified several areas for improvement given the brief tenure of a Chair limited to a single term:

- Effective Leadership – The Chair spends several months getting into the substantive challenges and opportunities facing the organization along with addressing the effectiveness of the Board. By the time the Chair becomes fully immersed in the position, the outbound transition is underway. The organization would benefit by having continuity of leadership in the Chair position that engages thoroughly with the Board and CEO and focuses on substantive Board matters.
- Institutional Memory – Allowing the Chair to serve consecutive one-year terms for a minimum of three years to a maximum of six years provides greater continuity of familiarity with strategic issues.
- Strategic Focus – Greater institutional memory enables improved concentration and identification of important issues to the organization.
- Sound Governance – The Board, through the Governance Committee and Nominating Committee, should recruit and conduct an annual evaluation of the Chair. In turn, the Chair should conduct an annual evaluation of the CEO and of Board effectiveness. These recommendations would promote better accountability and governance.
- Best Practice – A study of peer organizations revealed that Board Chairs serve in the role about three years on average. Virtually no organizations have adopted a one-year term with no option for the Chair to serve multiple consecutive terms. In addition, serving in the role for only one or two years is still considered too short a duration for the Chair to achieve meaningful success in the four categories identified above. By comparison, feedback from the Board has consistently reflected that governors truly begin to become effective in year three of their first term.

The Board endorsed the GWG's recommendations and determined it was in the best interest of the organization to present these changes to lengthen the tenure of the Chair and Vice Chair along with related revisions to the Articles of Incorporation and Bylaws for approval by the membership. The limitations posed by the Chair serving a single one-year term has been an issue before the Board for several years. In addition, there is the opportunity to establish longer continuity between the Chair and the new CEO of CFA Institute.

Below is a summary of the GWG's recommendations approved by the Board:

- Chair
 - Continuing the nominating process of having the Chair elected annually by the Regular Members to serve a one-year term.
 - Chair is eligible and encouraged to serve consecutive one-year terms for a minimum of three years to a maximum of six years commencing as of 1 September 2021 (fiscal year 2022).
 - Currently serving governors as of fiscal year 2020 are not eligible to be nominated to serve consecutive terms as Chair commencing as of 1 September 2021 (fiscal year 2022).
 - Nominating Committee may actively solicit and recruit an external candidate for Chair with the preference that the individual shall be a CFA® charterholder and would serve as an *ex officio* member on the Board.
 - Chair shall remain a volunteer, non-compensated officer position.
- Vice Chair
 - Continuing the nominating process of having the Vice Chair elected annually by the Regular Members to serve a one-year term.
 - Vice Chair is eligible and encouraged to serve consecutive one-year terms for a maximum of two years commencing as of 1 September 2021 (fiscal year 2022).
 - Vice Chair shall remain a volunteer, non-compensated officer position.
- Past Chair
 - Sunsetting the position of Past Chair.
 - Past Chair definition shall be maintained in the Bylaws to identify the individual who may serve as a member of the Nominating Committee commencing no later than 1 September 2020 (fiscal year 2021).
- Nominating Committee
 - Removing the Chair as a member of the Nominating Committee.
 - Member composition of the Nominating Committee shall be reduced from seven to six members.
- Governance Committee
 - The formation of a standalone Governance Committee.
 - The remit for the Governance Committee shall include oversight of the annual performance review of the CEO and development of the nomination guidance approved by the Board and provided to the Nominating Committee.

Recommendation

The Board of Governors recommends that each Regular Member vote FOR the amendments to the CFA Institute Bylaws.

Amendments

Article 6 – Officers

6.1 Number, Designation, and Qualifications.

(c) Any Chair elected to serve a term commencing on or after 1 September 2021 shall not have served as a Governor during the CFA Institute fiscal year beginning 1 September 2019.

6.6 Election and Term.

(a) Elected Officers.

(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 election choosing and qualification of his or her successor. Effective 1 September 2021, the Chair and the Vice Chair may serve consecutive terms, up to a maximum of six (6) terms as Chair and two (2) terms as Vice Chair, in each case subject to the election and qualification of his or her successor.

PROPOSAL 1G. BYLAWS / AMEND ARTICLE 9.1(B)(C)(D) – NOMINATING COMMITTEE

Rationale

This amendment removes the Chair as a standing member of the Nominating Committee (NC). This change will enable the Chair to be nominated for election annually by the members to serve consecutive one-year terms. The NC membership will be reduced from seven to six members with the Chair of the committee being appointed by the Board of Governors from among the governors serving on the committee.

Currently, the Bylaws prohibit a serving member on the NC from being nominated for a governor or officer position (Chair or Vice Chair). As a member of the NC, the Chair is limited to serving a single one-year term.

Recommendation

The Board of Governors recommends that each Regular Member vote FOR the amendment to the CFA Institute Bylaws.

Amendment

Article 9 – Nominating Process and Election

9.1 Nominating Committee.

(b) Composition. The Nominating Committee shall be composed of:

(i) one (1) Regular Member who is the Past Chair (who shall serve as chair of the committee) and the Chair or other Regular Member elected by the Board;

(ii) two (2) Regular Members elected by the Board 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) On an annual basis and commencing no later than 1 September 2020, the Board shall select one of the two (2) members serving on the Nominating Committee pursuant to Article 9.1(b)(ii) if the Past Chair is unable for any reason to serve as chair of the committee; the Chair shall serve such function. Until such time as the Board has selected a member serving on the Nominating Committee pursuant to Article 9.1(b)(ii) as chair, the Past Chair shall serve as chair of the committee.

(d) Each member of the Nominating Committee other than the Past Chair shall serve a two (2) year term. The terms of the two representatives from each constituency in Article 9.1(b)(ii) and (iv) will be staggered as determined by the Board so that (A) the terms of one representative referred to in Article 9.1(b)(ii) and one representative referred to in Article 9.1(b)(iv) shall expire at the end of the CFA Institute fiscal year beginning 1 September 2020 and at the end of every second CFA Institute fiscal year thereafter, and (B) the terms of the remaining representatives referred to in Article 9.1(b)(ii) and 9.1(b)(iv) shall expire at the end of the CFA Institute fiscal year beginning 1 September 2021 and at the end of every second CFA Institute fiscal year thereafter 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.

PROPOSAL 1H. BYLAWS / AMEND ARTICLE 12.2(B) – AMENDMENTS BY THE MEMBERS

Rationale

This amendment brings the voting requirement for member approved Bylaw amendments in line with the Virginia Nonstock Corporation Act (VNCA), which is applicable to CFA Institute. Under the VNCA, Bylaw amendments require approval by the vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present unless a greater proportion is required by the VNCA or Articles of Incorporation.

Currently, the CFA Institute Bylaws provide for a vote requirement that is higher than required by the VNCA and not set forth in the Articles of Incorporation, which only addresses the vote required for materially adverse changes to member rights and privileges. Therefore, the default voting requirement of the VNCA applies.

Recommendation

The Board of Governors recommends that each Regular Member vote FOR the amendment to the CFA Institute Bylaws.

Amendment

Article 12 – Amendment of the Bylaws

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 the affirmative vote of a majority of the votes entitled to be cast by the Regular Members present or represented by proxy at a duly held meeting at which a quorum is present, unless a greater majority is required in the Articles.

PROPOSAL 2. ELECTION OF CHAIR AND VICE CHAIR

Election

At the Annual Meeting of Members, members will be asked to vote on the election of Daniel Gamba, CFA, as Chair and Maria Wilton, CFA, as Vice Chair of CFA Institute for a term beginning on 1 September 2020 and ending on 31 August 2021, 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 and personal statements demonstrate the basis for this belief.

Recommendation

The Board of Governors recommends that each Regular Member vote FOR the election of the nominees for Chair and Vice Chair.

Chair Nominee



Daniel Gamba, CFA

Charterholder Independent

Governor Since: **2015**

Age: **52**

Country: **United States**

Regional Diversity (AMER)

Society Membership: **New York**

- Human Resources
- Leadership
- Professional Diversity

CURRENT POSITION

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

PRIOR POSITIONS

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

CURRENT POSITIONS ON OTHER BOARDS

- Board Member, Investment Committee of the Retirement Committee, BlackRock, New York, New York, United States
- Board Member, Northwestern University Alumni Association, New York, New York, United States

- CFA Institute Volunteer
- CFA Program

BOARD COMMITTEE SERVICE

- Vice Chair, Board of Governors (FY2020)
- Audit and Risk Committee (FY2018, FY2019*, FY2020*)
- Advocacy Working Group (FY2016)
- Executive Committee (FY2019, FY2020)
- People and Culture Committee (FY2020)
- Planning Committee (FY2016)
- Nominating Committee (FY2017)
- Society Partnership Advisory Council (FY2017, FY2018*)

ADDITIONAL VOLUNTEER EXPERIENCE

CFA Institute

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

PERSONAL STATEMENT

It is an honor to be nominated as the Chair of the CFA Institute Board of Governors. I am inspired by the organization's mission, its values of inclusion, and the opportunity to support the transition of its CEO.

Pursuing the mission of CFA Institute requires that we continue to vigilantly align the interests of investors and clients, help clients integrate ESG into their investments, stay at the forefront of the use of technology to generate alpha, and deploy effective strategies to attract top investment talent.

In the Latinx culture in Peru in which I grew up, human connections are very important. I am moved by the thousands of professionals volunteering to support the mission of CFA Institute, who strive to maintain a thriving and inclusive community of 160 global societies and volunteers that allows individuals from all backgrounds to pursue opportunities and succeed.

Working with our CEO, we can refresh our strategy, further institutionalize successful processes, improve our organizational structure and technology, and strengthen the team's culture.

My twenty plus years of experience in leadership roles in asset management include heading the build-out of one of the largest asset managers in Latin America. I also co-led the largest ETF platform in the Americas. Currently, I am transforming one of the largest active equity businesses, by navigating through change driven by the use of technology, data, and ESG factors.

If elected, I will bring the same passion to leading the inclusive family of CFA® charterholders, candidates, and volunteers that I had as the Vice Chair of the Board, Chair of the Audit and Risk Committee, and Co-Chair of the Society Partnership Advisory Council.

*Denotes the governor served as Chair.

Vice Chair Nominee



Maria Wilton, CFA

Charterholder Gender Diversity Independent

Governor Since: **2018**

Age: **55**

Country: **Australia**

Regional Diversity (APAC)

Society Membership: **Melbourne**

- Audit
- Corporate Governance
- Human Resources
- Leadership
- Professional Diversity
- Regulatory

CURRENT POSITIONS

- Director, Victorian Funds Management Corporation, Worksafe, Australia Post Superannuation Scheme, Melbourne, Australia
- Member, State Investment Advisory Board (Qld), Melbourne, Australia

PRIOR POSITIONS

- Managing Director and Chairman, Franklin Templeton Investments Australia Limited, Melbourne, Australia
- 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

- Not-for-Profit

CURRENT POSITIONS ON OTHER BOARDS

- Deputy Chair, Infrastructure Victoria, Melbourne, Australia

BOARD COMMITTEE SERVICE

- Governance Working Group (FY2019, FY2020)
- People and Culture Committee (FY2020*)
- Society Partnership Advisory Council (FY2019)

ADDITIONAL VOLUNTEER EXPERIENCE

CFA Institute

- Conference Speaker
- Member, CFA Societies Australia & New Zealand Advocacy Council
- Chair, CFA Societies Australia & New Zealand National Diversity Council

PERSONAL STATEMENT

With a 30-year career in investment management spanning investing and business roles, I am pleased and honoured to be nominated to serve as Vice Chair of the CFA Institute Board of Governors.

"Make a Difference" is my personal motto and signifies my aim of action-oriented contributions to the community and broader society. In my professional life, improving outcomes for investors is a driving motivation, and using my skills and experience to ensure that clients make good decisions and receive the best possible outcomes aligns with the mission of CFA Institute. Our success in achieving these results is a key driver of the standard of living of so many people during their working lives, in their retirement, and in the educational opportunities they can provide for their children.

Building trust and confidence in the investment management industry is critical, and while governance standards globally are improving, we need to do more to ensure positive relationships with regulators and policy makers to improve outcomes. CFA Institute is well positioned to lead the way through thought leadership and advocacy and its promotion of the highest standards of ethics, education, and professional excellence.

Using my experience as a leader in the investment industry and more recently as an independent company director, I am well placed to help guide and support the mission of CFA Institute. Having worked in the asset management world as a portfolio manager and business leader and now as a director of a number of asset owners, I have broad and deep insights into industry trends. I look forward to sharing best practices with my colleagues and working with the CFA Institute family, societies, the Board of Governors, CFA® charterholders, and aspiring candidates to help our clients reach their goals.

*Denotes the governor served as Chair.

PROPOSAL 3. ELECTION OF GOVERNORS

Election

At the Annual Meeting of Members, members will be asked to vote on the election of Marshall Bailey, CFA, and Yimei Li, CFA, as governors, each to serve a three-year term beginning 1 September 2020 and ending 31 August 2023. 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.

Recommendation

The Board of Governors recommends that each Regular Member vote FOR the election of the two nominees for governor.

First-Term Governor Nominees



Marshall Bailey, CFA

 Charterholder

Age: **53**

Country: **United Kingdom**

 Regional Diversity (EMEA)

Society Membership: **United Kingdom**

 Corporate Governance

 Professional Diversity

 Regulatory

CURRENT POSITION

- Non-Executive Director, London Stock Exchange Group, London, United Kingdom
- Group Chairman, LCH Group, London, United Kingdom
- Chairman, Financial Services Compensation Scheme, London, United Kingdom
- Chairman, CIBC Capital Markets, London, United Kingdom
- Representative, Public Investment Fund, Jeddah Governorate, Saudi Arabia

PRIOR POSITIONS

- Non-Executive Director, UK Financial Investments Ltd., London, United Kingdom
- Non-Executive Director, Chubb, London, United Kingdom
- Global Head, ACI Financial Markets Association, London, United Kingdom, and Paris, France
- CEO and COO, State Street Global Markets Europe, London, United Kingdom
- Managing Director of EMEA and Asia, RBC Capital Markets, London, United Kingdom

 Public Company Board

CURRENT POSITIONS ON OTHER BOARDS

- Non-Executive Director, London Stock Exchange Group, London, United Kingdom
- Group Chairman, LCH Group, London, United Kingdom
- Chairman, Financial Services Compensation Scheme, London, United Kingdom
- Member of Risk, Audit, and Remuneration Committees and Chair of Nominations Committee, Financial Services Compensation Scheme, London, United Kingdom
- Chairman and Member of the Audit Committee, CIBC Europe, London, United Kingdom
- Non-Executive Director and Chairman of the Risk Committee, National Commercial Bank, London, United Kingdom
- Trustee, East End Community Foundation, London, United Kingdom

 Society Leadership

ADDITIONAL VOLUNTEER EXPERIENCE

Society

- Past Board Member, CFA Society United Kingdom

PERSONAL STATEMENT

I am deeply honoured and grateful to be nominated to join the CFA Institute Board of Governors. This organisation has been a deep part of my career, from my early, aspiring days seeking training and the highest standards of "first principles" in finance and as a guiding light for ethical behaviour and good client outcomes for nearly 30 years of my life. CFA Institute has allowed me to connect with a wonderful professional assortment of diverse and talented individuals throughout the world, knowing that each of us with the CFA® designation is similarly dedicated. Over the many years, CFA Institute has gone from strength to strength, retaining its crown as the most respected and global standard setter for our profession.

With my background serving on some fantastically interesting boards and leading teams of qualified people, I have witnessed the excellent outcomes that arise from a diverse group of thinkers all seeking to solve the same problems. Today, we are faced with an immediate demand for solutions to issues around sustainability, climate change, and the risk of stranded assets and for a solution to many investment challenges to facilitate change. We have an opportunity to play a leading role in facilitating an industry that can rise to this challenge and bring a better society and a bright future. This will require us working together to put our minds to solutions through our professional connections. Banking and asset management are among those that can drive change. I am looking forward to continuing to be part of that. Having been honoured by Her Royal Highness the Queen of England for services to financial markets and to charity, I am even more motivated to carry on with this work. Acting inclusively, we will guide the organisation, our membership, and the broader profession to a sustainable future.



Yimei Li, CFA



Charterholder



Gender Diversity



Independent

Age: **43**Country: **China**

Regional Diversity (APAC)

Society Membership: **Beijing**

Human Resources



Information Technology



Leadership



Professional Diversity



Regulatory



Not-for-Profit

CURRENT POSITION

- CEO, China Asset Management Co. Ltd., Beijing, China

PRIOR POSITIONS

- Executive Vice President, China Asset Management Co. Ltd., Beijing, China
- Head of Marketing and Sales, China Asset Management Co. Ltd., Beijing, China
- International Business Department, China Asset Management Co. Ltd., Beijing, China

CURRENT POSITIONS ON OTHER BOARDS

- Vice Chair, Asset Management Association of China, Beijing, China
- Board Member, Pension Business Committee, Asset Management Association of China, Beijing, China
- Vice Director, Risk Management Committee, Shenzhen Stock Exchange, Shenzhen, China
- Deputy Supervisor, Securities Association of Beijing, Beijing, China
- Member, International Investment Fund Association Pension Committee
- Board Member, E-Capital Transfer, Shanghai, China
- Founding Member, SDG 30 League, Beijing, China

ADDITIONAL VOLUNTEER EXPERIENCE

CFA Institute

- Conference Speaker
- Curriculum Revision Interviews

PERSONAL STATEMENT

I am greatly honored to be nominated as a member of the CFA Institute Board of Governors. I have always been quite proud to be one of the first CFA® charterholders in China and would be more than happy to serve this organization, which has been a critical driving force for not only my professional development but also the development of the investment management industry around the world.

I started my career in the mutual fund industry in 2001, fresh out of graduate school and knowing very little of the investment management world. I was very fortunate to be introduced to the CFA curriculum. The three years of studying helped me build a very robust and comprehensive framework of knowledge and, more importantly, established the ethical roots of my career. Afterward, the opportunities to attend educational and society events helped me, and my fellow charterholders, to embark on my career with more information and connections. I always encourage young talent to pursue a career in the financial industry and to consider the CFA Program as an important part of their professional education.

I am now the CEO of one of the largest mutual fund companies in China. We have more than 120 million individuals who entrust us with their financial well-being. We are shaping the pension management system to address the rapid increase in China's aging population. We endeavor to engage in new technologies to provide more personalized services with lower costs to our massive client base. We are acting promptly with ESG engagements as time is ticking for sustainable growth on this planet. Such tremendous responsibilities require us to promote "the highest standards of ethics, education, and professional excellence for the ultimate benefit of society" as stated in the mission of CFA Institute. With almost 20 years of relevant professional experience, I am very pleased and grateful for the chance to contribute to and serve on the Board of Governors.

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 2021 and 2022. Please visit the CFA institute [website](#) to read each governor's bio.

Governors with Terms Expiring 31 August 2022



Daniel Gamba, CFA

Charterholder Independent

Governor Since: **2015**

Age: **52**

Country: **United States**

Regional Diversity (AMER)

Society Membership: **New York**

- Human Resources
- Leadership
- Professional Diversity

CURRENT POSITION

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

PRIOR POSITIONS

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

CURRENT POSITIONS ON OTHER BOARDS

- Board Member, Investment Committee of the Retirement Committee, BlackRock, New York, New York, United States
- Board Member, Northwestern University Alumni Association, New York, New York, United States

- CFA Institute Volunteer
- CFA Program

BOARD COMMITTEE SERVICE

- Vice Chair, Board of Governors (FY2020)
- Audit and Risk Committee (FY2018, FY2019*, FY2020*)
- Advocacy Working Group (FY2016)
- Executive Committee (FY2019, FY2020)
- People and Culture Committee (FY2020)
- Planning Committee (FY2016)
- Nominating Committee (FY2017)
- Society Partnership Advisory Council (FY2017, FY2018*)

ADDITIONAL VOLUNTEER EXPERIENCE

CFA Institute

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

*Denotes the governor served as Chair.



Karina Litvack

Gender Diversity Independent

Governor Since: **2019**

Age: **57**

Country: **United Kingdom**

Regional Diversity (EMEA)

- Audit
- Corporate Governance
- Leadership
- Professional Diversity
- Regulatory

CURRENT POSITION

- Non-Executive Director, Eni S.p.A., Rome, Italy
- Non-Executive Director, Business for Social Responsibility, San Francisco, 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, United States
- Member of Stakeholder Advisory Panel, Lafarge, Paris, France
- New York City Economic Development Corporation, Project Manager, New York, United States
- PaineWebber Incorporated, Capital Markets Associate, New York, United States

- Not-for-Profit
- Public Company Board

CURRENT POSITIONS ON OTHER BOARDS

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

BOARD COMMITTEE SERVICE

- Society Partnership Advisory Council (FY2020)



Tricia Rothschild, CFA

Charterholder Gender Diversity Independent

Governor Since: **2019**

Age: **53**

Country: **United States**

Regional Diversity (AMER)

Society Membership: **Chicago**

- Information Technology
- Leadership
- Professional Diversity

PRIOR POSITIONS

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

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
- Grade Level Advisor and Member, National Charity League, Wilmette Chapter, Wilmette, Illinois, United States

CFA INSTITUTE BOARD COMMITTEE SERVICE

- Audit and Risk Committee (FY2020)



Maria Wilton, CFA

Charterholder
 Gender Diversity
 Independent

Governor Since: **2018**

Age: **55**

Country: **Australia**

Regional Diversity (APAC)

Society Membership: **Melbourne**

- Audit
- Corporate Governance
- Human Resources
- Leadership
- Professional Diversity
- Regulatory

CURRENT POSITIONS

- Director, Victorian Funds Management Corporation, Worksafe, Australia Post Superannuation Scheme, Melbourne, Australia
- Member, State Investment Advisory Board (Qld), Melbourne, Australia

PRIOR POSITIONS

- Managing Director and Chairman, Franklin Templeton Investments Australia Limited, Melbourne, Australia
- 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

- Not-for-Profit

CURRENT POSITIONS ON OTHER BOARDS

- Deputy Chair, Infrastructure Victoria, Melbourne, Australia

BOARD COMMITTEE SERVICE

- Governance Working Group (FY2019, FY2020)
- People and Culture Committee (FY2020*)
- Society Partnership Advisory Council (FY2019)

ADDITIONAL VOLUNTEER EXPERIENCE

CFA Institute

- Conference Speaker

Society

- Member, CFA Societies Australia & New Zealand Advocacy Council
- Chair, CFA Societies Australia & New Zealand National Diversity Council

*Denotes the governor served as Chair.

Governors with Terms Expiring 31 August 2021



Alex Birkin*

Governor Since: **2018**

Age: **44**

Country: **United Kingdom**

Regional Diversity (EMEA)

- Information Technology
- Leadership
- Professional Diversity
- Regulatory

CURRENT POSITION

- Partner, EMEA Industry Leader and Global Advisory Leader for Wealth and Asset Management, EY, London, United Kingdom

PRIOR POSITIONS

- Partner, EMEA FSO Wealth and 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

CURRENT POSITIONS ON OTHER BOARDS

- Board Member, EY Global Wealth and Asset Management, London, United Kingdom
- Regional Board Member, EY EMEA Financial Services Office, London, United Kingdom

BOARD COMMITTEE SERVICE

- Nominating Committee (FY2019, FY2020)

*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, DBA

Independent

Governor Since: **2018**

Age: **70**

Country: **United States**

Regional Diversity (AMER)

- Audit
- Education
- Leadership
- Professional Diversity

CURRENT POSITION

- Distinguished Professor of Business Administration and Dean Emeritus, Darden Graduate School of Business Administration, University of Virginia, Charlottesville, Virginia, United States
- Professor, University of Virginia, Charlottesville, Virginia, United States

- Not-for-Profit
- Public Company Board

CURRENT POSITIONS ON OTHER BOARDS

- Trustee, INCAE Foundation Board, Glen Echo, Maryland, United States
- Trustee, Rare Book School Foundation Board, Charlottesville, Virginia, United States

BOARD COMMITTEE SERVICE

- Audit and Risk Committee (FY2020)
- Governance Working Group (FY2019, FY2020)



Dan Fasciano, CFA

Charterholder Independent

Governor Since: **2018**

Age: **53**

Country: **United States**

Regional Diversity (AMER)

Society Membership: **Boston**

- Leadership
- Not-for-Profit

CURRENT POSITION

- National Director of Portfolio Management, Wealth Management, Bank of New York Mellon, Boston, Massachusetts, United States

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, Boston, Massachusetts, United States
- Director of Fixed Income, Mellon Financial Corporation/The Boston Company, Boston, Massachusetts, United States

- Society Leadership

BOARD COMMITTEE SERVICE

- Investment Committee (FY2019, FY2020*)
- Governance Working Group (FY2020)
- Society Partnership Advisory Council (FY2018*)

ADDITIONAL VOLUNTEER EXPERIENCE

CFA Institute

- Member, Annual Conference Advisory Group

Society

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

*Denotes the governor served as Chair.



Punita Kumar-Sinha, PhD, CFA

Charterholder
 Gender Diversity
 Independent

Governor Since: **2018**

Age: **57**

Country: **India/United States**

Regional Diversity (APAC)

Society Membership: **Boston**



Audit



Corporate Governance

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 and Asia Tigers Fund, Boston, Massachusetts, United States
- 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, Toronto, Canada



Public Company Board

CURRENT POSITIONS ON OTHER BOARDS

- Independent Director, Infosys, Bangalore, India
- Independent Director, JSW Steel (Chair, Hedging Policy Review Committee), Mumbai, India
- Independent Director, Rallis India (Chair, Stakeholders Relationship Committee), Mumbai, India
- Independent Director, Embassy Office Parks Management, Bangalore, India
- Services Private Limited, Hyderabad, India
- Independent Director, SREI Infrastructure Finance, Uttar Pradesh, India

BOARD COMMITTEE SERVICE

- Audit and Risk Committee (FY2019)
- Investment Committee (FY2020)

ADDITIONAL VOLUNTEER EXPERIENCE

CFA Institute

- Conference Speaker

Society

- Event Speaker



Geoffrey Ng, CFA



Charterholder



Independent

Governor Since: **2018**Age: **46**Country: **Malaysia**

Regional Diversity (APAC)

Society Membership: **Malaysia**

Audit



Leadership



Professional Diversity

CURRENT POSITION

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

PRIOR POSITIONS

- Executive Director/CEO, Hong Leong Asset Management Group, Kuala Lumpur, 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, Petaling Jaya, Malaysia

CURRENT POSITIONS ON OTHER BOARDS

- Chairman, Kronologi Asia Berhad, Kuala Lumpur, Malaysia
- Executive Director, Fortress Capital Asset Management Sdn Bhd, Kuala Lumpur, Malaysia



CFA Institute Volunteer



CFA Program

BOARD COMMITTEE SERVICE

- Audit and Risk Committee (FY2019, FY2020)

ADDITIONAL VOLUNTEER EXPERIENCE

CFA Institute

- Past Grader, CFA® Exam
- 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



Diane Nordin, CFA

Charterholder
 Gender Diversity
 Independent

Governor Since: **2016**

Age: **61**

Country: **United States**

Regional Diversity (AMER)

Society Membership: **Boston**

- Audit
- Corporate Governance
- Human Resources
- Leadership
- Professional Diversity

CURRENT POSITION

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

PRIOR POSITIONS

- Fellow, Advanced Leadership Initiative, Harvard University, Cambridge, Massachusetts, United States
- Partner, Wellington Management, Boston, Massachusetts, United States
- Director, Fixed Income, Wellington Management, Boston, Massachusetts, United States
- Board Member, Chair of Investment Committee, and Member of Audit Committee, Appalachian Mountain Club, Boston, Massachusetts, United States
- Trustee and Chair of Investment Committee, Wheaton College, Norton, Massachusetts, United States

- Not-for-Profit
- Public Company Board

CURRENT POSITIONS ON OTHER BOARDS

- Vice Chair of Board, Chair of Compensation Committee, and Member of Risk Policy, Audit and Executive Committees, Fannie Mae, Washington, DC, United States
- Chair, Compensation Committee, Antares Capital, New York, New York, United States
- Member, Audit and Human Resources Committees, Principal Financial Group, Des Moines, Iowa, United States
- Member, Martha's Vineyard Community Services Board, Martha's Vineyard, Massachusetts, United States

CFA INSTITUTE BOARD COMMITTEE SERVICE

- Chair, CFA Institute Board of Governors (FY2020*)
- 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, FY2020*)
- People and Culture Committee (FY2020)
- Nominating Committee (FY2020)

ADDITIONAL VOLUNTEER EXPERIENCE

CFA Institute

- Industry Appeal Panelist, Disciplinary Review Committee
- Panelist and Speaker

*Denotes the governor served as Chair.



Zouheir Tamim El Jarkass, CFA



Charterholder



Independent

Governor Since: **2015**Age: **57**Country: **United Arab Emirates**

Regional Diversity (EMEA)

Society Membership: **Emirates**

Education



Human Resources



Professional Diversity

CURRENT POSITION

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

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



Not-for-Profit

CURRENT POSITIONS ON OTHER BOARDS

- Member, Global Council of Queen's Business School, Toronto, Canada
- Member, Advisory Board of the School of Business and Management, University of Sharjah, Sharjah, United Arab Emirates
- Chairman of the Board, Leadership Acceleration for Business, Abu Dhabi, United Arab Emirates



CFA Institute Volunteer



CFA Program



Society Leadership

BOARD COMMITTEE SERVICE

- Audit and Risk Committee (FY2017, FY2018, FY2019)
- Compensation Committee (FY2018, FY2019)
- External Relationship and Volunteer Involvement (FY2016)
- Nominating Committee (FY2020)
- Advocacy Working Group (FY2016)

ADDITIONAL VOLUNTEER EXPERIENCE

CFA Institute

- Past Member, Annual Conference Advisory Group
- Past Member, Middle East Investment Conference Advisory Group

Society

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

President and CEO



Margaret Franklin, CFA



Charterholder



Gender Diversity

Governor Since: **2019**

Age: **54**

Country: **United States**



Regional Diversity (AMER)

Society Membership: **Toronto**



Audit



Human Resources



Leadership



Professional Diversity

CURRENT POSITION

- President and Chief Executive Officer, CFA Institute, Charlottesville, Virginia, United States

PRIOR POSITIONS

- President, BNY Mellon Wealth Management, Advisory Services, Toronto, Canada
- Board Member, BNY Mellon Trust Company, George Town, Cayman Islands
- President, Marret Private Wealth, and COO of Marret Asset Management, Toronto, Canada
- Partner, KJ Harrison & Partners, Toronto, Canada



Not-for-Profit

CURRENT POSITIONS ON OTHER BOARDS

- Vice Chair, Michael Garron Hospital Foundation Board, Toronto, Canada



CFA Institute Volunteer



Society Leadership

CFA INSTITUTE BOARD COMMITTEE SERVICE

- Past Chair, CFA Institute Board of Governors (FY2012)
- Chair, CFA Institute Board of Governors (FY2011*)
- Vice Chair, CFA Institute Board of Governors (FY2010)
- Executive Committee (FY2020)

ADDITIONAL VOLUNTEER EXPERIENCE

CFA Institute

- Past Chair, CFA Institute Board of Governors

Society

- Past President and Board Member, CFA Society Toronto











*Denotes the governor served as Chair.

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.



Leah Bennett, CFA

-  CFA Institute Volunteer
-  Leadership
-  Charterholder
-  Professional Diversity
-  Gender Diversity
-  Not-for-Profit
-  Human Resources
-  Regional Diversity (AMER)
-  Independent
-  Society Leadership













Heather Brilliant, CFA

-  Audit
-  Leadership
-  Charterholder
-  Professional Diversity
-  Gender Diversity
-  Regional Diversity (AMER)
-  Human Resources
-  Society Leadership
-  Independent



Yu Hua, CFA

-  Charterholder
-  Not-for-Profit
-  Corporate Governance
-  Professional Diversity
-  Education
-  Regional Diversity (APAC)
-  Independent
-  Regulatory
-  Leadership
-  Society Leadership

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

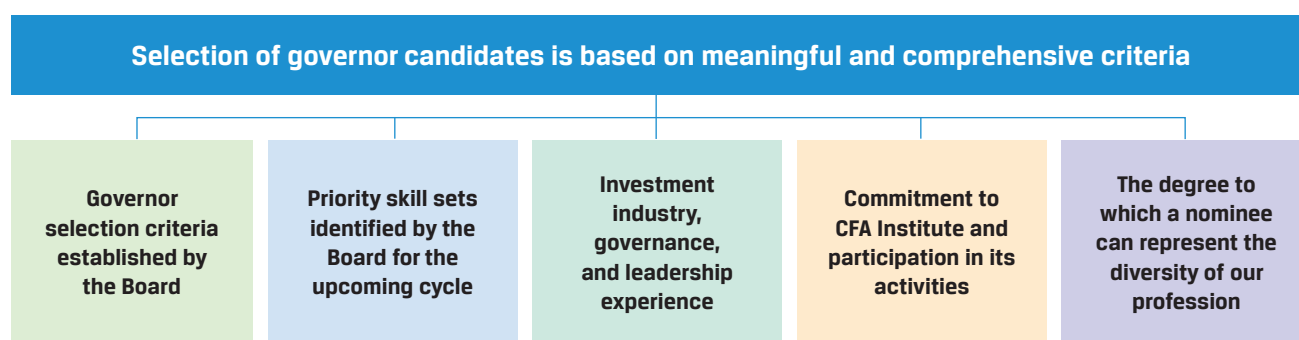
BOARD OF GOVERNORS

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 one non-independent governor who serve in a volunteer capacity plus the President and CEO. They are from eight countries: Australia, Canada, China, India, Malaysia, the United Kingdom, the United Arab Emirates, and the United States.

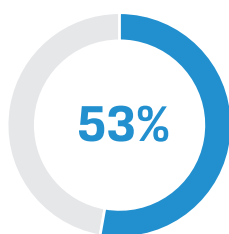
Selection of Governors

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.

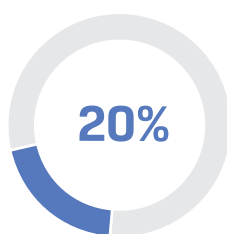
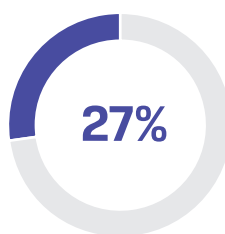


Each governor is elected by the membership of CFA Institute for a three-year term that runs from 1 September to 31 August.

REGIONAL REPRESENTATION



Americas

Europe, Middle East,
& Africa

Asia Pacific

AVERAGE SERVICE TENURE

2.53
YEARS

GENDER DIVERSITY

♂ 47%
MEN♀ 53%
WOMEN

Board Skills and Experience Diversity

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.



AUDIT

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. (Sarbanes-Oxley Act Section 407; SEC Regulation S-K Item 407[d][5]).

CFA INSTITUTE VOLUNTEER
EXPERIENCE

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



CFA PROGRAM EXPERTISE

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.



CHARTERHOLDER

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



CORPORATE GOVERNANCE EXPERIENCE

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.



EDUCATION EXPERIENCE

Extensive teaching or administrative experience gained at a significant university or post-graduate institution.



GENDER DIVERSITY

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



HUMAN RESOURCES

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

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



LEADERSHIP EXPERIENCE

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



NOT-FOR-PROFIT EXPERIENCE

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



PROFESSIONAL DIVERSITY

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



PUBLIC COMPANY BOARD EXPERIENCE

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



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.



REGULATORY

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.

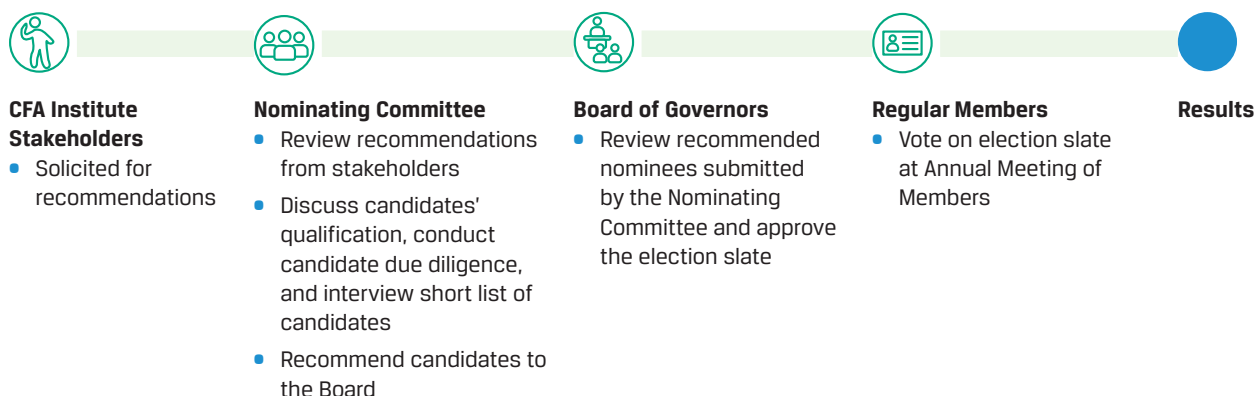


SOCIETY LEADERSHIP EXPERIENCE

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

Governor Recruitment Process

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@cfa institute.org.



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

Independence Determination

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.

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 (ARC), 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.

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 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.

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 2019, risk management did not conduct a compensation risk assessment.

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 ARC, has primary responsibility for overseeing the risk management program of CFA Institute relating to data privacy and information security, which includes cybersecurity. The ARC 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 enforcement of data privacy controls and the comprehensive information security program at CFA Institute, which includes a risk-based cybersecurity strategy, architecture, policies, standards, and processes. The Global Data Privacy Officer at CFA Institute 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.

It should be noted that the novel coronavirus, or COVID-19, that is currently spreading could have a negative impact on our revenue and earnings stream this fiscal year and thus our ability to optimally carry out our mission. This is primarily due to containment measures. At this point, we do not expect any permanent damage to our ability to accomplish our mission.

Talent Management and Succession Planning

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

Compliance

A commitment to ethical conduct is essential to our core philosophy and culture. The Board, directly and through the ARC, 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 ARC.

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 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 the ARC.

The Compliance & Ethics department partners closely with Risk Management, Internal Audit, and Legal & Board Services 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 contingent workers, volunteers, 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, 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](#).

Governance Self-Assessment

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

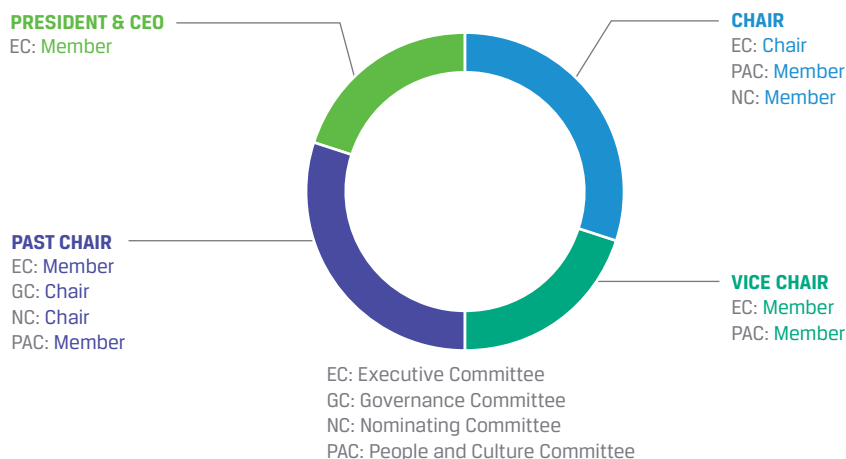
Board Leadership

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 Alex Birkin are the only governors on our Board who are not independent. The remaining 13 governors are independent governors elected by our members.

Board leadership currently consists of a Chair, Vice Chair, and Past Chair. Each position has a one-year term that rotates annually. This structure is designed to accommodate the sharing and allocation of responsibilities while striving for 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 People and Culture and Nominating Committees;
- Approve meeting agendas and schedules for the Board and Executive Committee;
- Coordinate the work of the committees of the Board;
- Regularly meet with the President and CEO and serve as a liaison between the Board, the CEO, and other members of the senior management team;
- Operate closely with the Past Chair and Vice Chair on the rolling three-year strategic plan goals to ensure continuity and follow-through;
- Meet with the Chair-elect in advance of his or her succession to Chair to discuss the Board's initiatives;
- Review and approve the goals and development plan for the CEO;
- Serve as an *ex officio* member of the Board of Trustees of the CFA Institute Research Foundation; and
- Serve in an ambassadorial role for the organization.

VICE CHAIR RESPONSIBILITIES

- Perform the duties of the Chair in his or her absence;
- Serve as the Chair of CFA Institute in the event of the Chair's incapacity, resignation, removal, or death;
- Serve as a member of the Executive and People and Culture Committees;
- Provide input on the evaluation of Board members for feedback to the nomination process;
- Operate closely with the Chair and Past Chair on the rolling three-year strategic plan goals to ensure continuity and follow-through;
- Develop and strengthen working relationships with the President and CEO and with other members of the senior management team;
- Lead the process for developing recommendations for the Board committee appointments subject to Board approval;
- Oversee and participate in the orientation training program for new incoming governors;
- Serve as an *ex officio* member of the Board of Trustees of the CFA Institute Research Foundation; and
- Serve in an ambassadorial role for the organization.

PAST CHAIR RESPONSIBILITIES

- Serve as Chair of the Governance Committee and Nominating Committee (and preside at all meetings) and as a member of the People and Culture and Executive 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: Audit and Risk Committee, Executive Committee, Governance Committee, Investment Committee, People and Culture Committee, Nominating Committee, and Society Partnership Advisory Council. The current composition and principal responsibilities of each committee are as follows:

Fiscal Year 2020 Committees

Audit and Risk Committee

The Committee [Charter](#) is posted on our website.

BOARD MEMBERS

Daniel Gamba, CFA (Chair)
Robert Bruner, DBA
Geoffrey Ng, CFA
Tricia Rothschild, CFA
Yu Hua, CFA

PURPOSE

- Overseeing risk management processes related to data security and 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

Executive Committee

The Committee [Charter](#) is posted on our website.

BOARD MEMBERS

Diane Nordin, CFA (Chair)
Heather Brilliant, CFA
Margaret Franklin, CFA
Daniel Gamba, CFA

PURPOSE

- 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

Governance Committee*

The Committee [Charter](#) is posted on our website.

BOARD MEMBERS

Heather Brilliant, CFA (Chair)
Dan Fasciano, CFA
Punita Kumar-Sinha, CFA
Karina Litvack

PURPOSE

- Overseeing the Board, committee, and governor evaluation process
- Developing, reviewing, and recommending amendments to the corporate governance practices of CFA Institute
- Consulting with the Board Chair as to Board committee leadership and composition
- Evaluating the performance of and providing feedback to the Board Chair
- Developing nomination guidance that is approved by the Board and provided to the Nominating Committee
- Providing oversight of the governance policies relating to its engagement with members

*The formation of the Governance Committee was approved by the Board on 11 February 2020.

Investment Committee

The Committee [Charter](#) is posted on our website.

BOARD MEMBERS

Dan Fasciano, CFA (Chair)
Punita Kumar-Sinha, CFA

NON-BOARD MEMBERS

Gary Baker, CFA
Pieter van Putten, CFA
Steve Horan, CFA, CIPM

PURPOSE

- Providing strategic direction and oversight of the CFA Institute reserves
- Overseeing and implementing the Investment Policy Statement
- Overseeing the portfolio risk and key reserve attributes
- Overseeing the investment performance, investment service providers, and costs
- Selecting and overseeing the investment advisor

Nominating Committee

The Committee [Charter](#) is posted on our website.

BOARD MEMBERS

Heather Brilliant, CFA (Chair)
Alex Birkin
Diane Nordin, CFA
Zouheir Tamim El Jarkass, CFA

NON-BOARD MEMBERS

Lamees Al-Baharna, CFA
Susan Williams, CFA
David Smith, CFA

PURPOSE

- 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

People and Culture Committee*

The Committee [Charter](#) is posted on our website.

BOARD MEMBERS

Maria Wilton, CFA (Chair)
Heather Brilliant, CFA
Daniel Gamba, CFA
Diane Nordin, CFA

PURPOSE

- 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
- Discussing key activities focused on evolving employee engagement and organizational culture
- Discussing any people-related issues

*The Compensation Committee changed its name to the People and Culture Committee in fiscal year 2020.

Society Partnership Advisory Council

The Council [Charter](#) is posted on our website.

BOARD MEMBERS

Leah Bennett, CFA (Co-Chair)
Karina Litvack

NON-BOARD MEMBERS

Aaron Brown, CFA (Co-Chair)
Bogdan Bilaus, CFA
Jennifer Garbowicz, CFA, CIPM
Ming Shu, CFA
Randi Tolber, CFA

PURPOSE

- Facilitating the alignment between CFA Institute and societies to advance our mission globally and deliver value to our members
- Establishing a unified voice on society-related matters in order to represent their interests to the Board
- Ensuring continued strength in the relationship between CFA Institute, the Presidents Council, and societies
- Providing feedback and guidance on society business to the Board, the Presidents Council, CFA Institute staff, and societies

Fiscal Year 2019 Board and Committee Meetings Held and Member Attendance

In fiscal year 2019, the Board met 11 times, and average attendance at the Board meetings was 85%. With the exception of a one-day Board retreat, each in-person meeting consisted of three days of discussions, with committee meetings running for approximately three hours and the full Board meetings running for approximately 10 hours. Other meetings were held via 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 2019.

Governors	Board (11 Meetings)	Audit and Risk Committee (8 Meetings)	Executive Committee (7 Meetings)	CEO Search Committee (12 Meetings)	Compensation Committee (6 Meetings)	Investment Committee (6 Meetings)	Nominating Committee (11 Meetings)	Society Partnership Advisory Council (6 Meetings)
Leah Bennett, CFA	10	5						
Alex Birkin	8						8	
Heather Brilliant, CFA	11*		7*	12	6		10	
Robert Bruner, DBA	9							
Dan Fasciano, CFA	11					6		
Daniel Gamba, CFA	11	8*	7					
Robert Jenkins, FSIP	7		3	11	6*		11*	
Punita Kumar-Sinha, CFA	11	7						
Geoffrey Ng, CFA	10	8						
Diane Nordin, CFA	10		7	12*	6			
Sunil Singhania, CFA	10					5*	8	
Paul Smith, CFA	9		7					
Zouheir Tamim El Jarkass, CFA	8	7			6			
Maria Wilton, CFA	10							5
Yu Hua, CFA	6			11				5*

*Board and/or Committee Chair

Board Expenses

CFA Institute governors volunteer their service to the Board and therefore do not receive compensation. The information in the table below reflects the amounts paid by CFA Institute in fiscal year 2019 in connection with Board members' attendance at meetings of the Board and its committees.

Category	Board Meetings	Outreach Activities	Total Category
Transportation	\$377,507	\$173,801	\$551,308
Lodging & Meals	\$319,146	\$ 67,668	\$386,814
Total Expense	\$696,653	\$241,469	\$938,122

*In fiscal year 2019, the Board and/or its committees held in-person meetings in Charlottesville, Mumbai, London (twice), and San Francisco.

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 CFA® 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.



AUDIT MATTERS

PROPOSAL 4. RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ratification

The Audit and Risk Committee (ARC) has appointed KPMG LLP as the organization's independent public accounting firm to perform the fiscal year 2020 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.

Recommendation

The Board of Governors recommends that each Regular Member vote FOR the ratification of the selection of KPMG LLP as the independent registered public accounting firm for CFA Institute for fiscal year 2020.

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (ARC) 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 2020

Daniel Gamba, CFA (Chair)
Robert Bruner, DBA
Yu Hua, CFA
Geoffrey Ng, CFA
Tricia Rothschild, CFA

The Board has determined that the following three 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 the rules of the SEC: Daniel Gamba, CFA; Geoffrey Ng, CFA; and Robert Bruner, DBA.

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 2019. The ARC met with management and KPMG LLP to discuss the audit of the consolidated financial statements as of and for the period ended 31 August 2019. The ARC subsequently met in executive session with KPMG LLP 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*. KPMG LLP 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. KPMG LLP provided an unmodified 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 2019 be included in the Annual Report.

APPOINTMENT OF THE INDEPENDENT PUBLIC ACCOUNTING FIRM

The Audit and Risk Committee appointed KPMG LLP 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 KPMG LLP during the most recent fiscal year are compatible with maintaining its independence.

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

FEES INCURRED WITH INDEPENDENT AUDITORS

The following is a summary and description of fees for services provided by KPMG LLP and PricewaterhouseCoopers LLP for fiscal years ended 31 August 2019 and 2018 (in thousands). CFA Institute incurred \$387,000 in KPMG LLP services during performance of its fiscal year 2019 financial statement audits, \$42,000 for the 401(k) audit, and \$200,000 in tax services. All other amounts shown below reflect services performed by PricewaterhouseCoopers LLP during its engagement period.

	2019	2018
Audit ^(a)	\$430	\$640
Audit related ^(b)	42	15
Tax ^(c)	200	425
Total	\$672	\$1,080

(a) Aggregate fees incurred for professional services rendered for the 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 (\$43,000 estimated for 2019 based upon estimates for audits not yet completed). Fiscal year 2018's higher audit fees are partially attributable to ERP conversion activity.

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

(c) Aggregate fees incurred for professional services rendered for informational and tax return preparation and filing and tax advice relating to domestic and international issues. A significant portion of the tax consulting fees incurred in 2018 was non-recurring in nature.

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

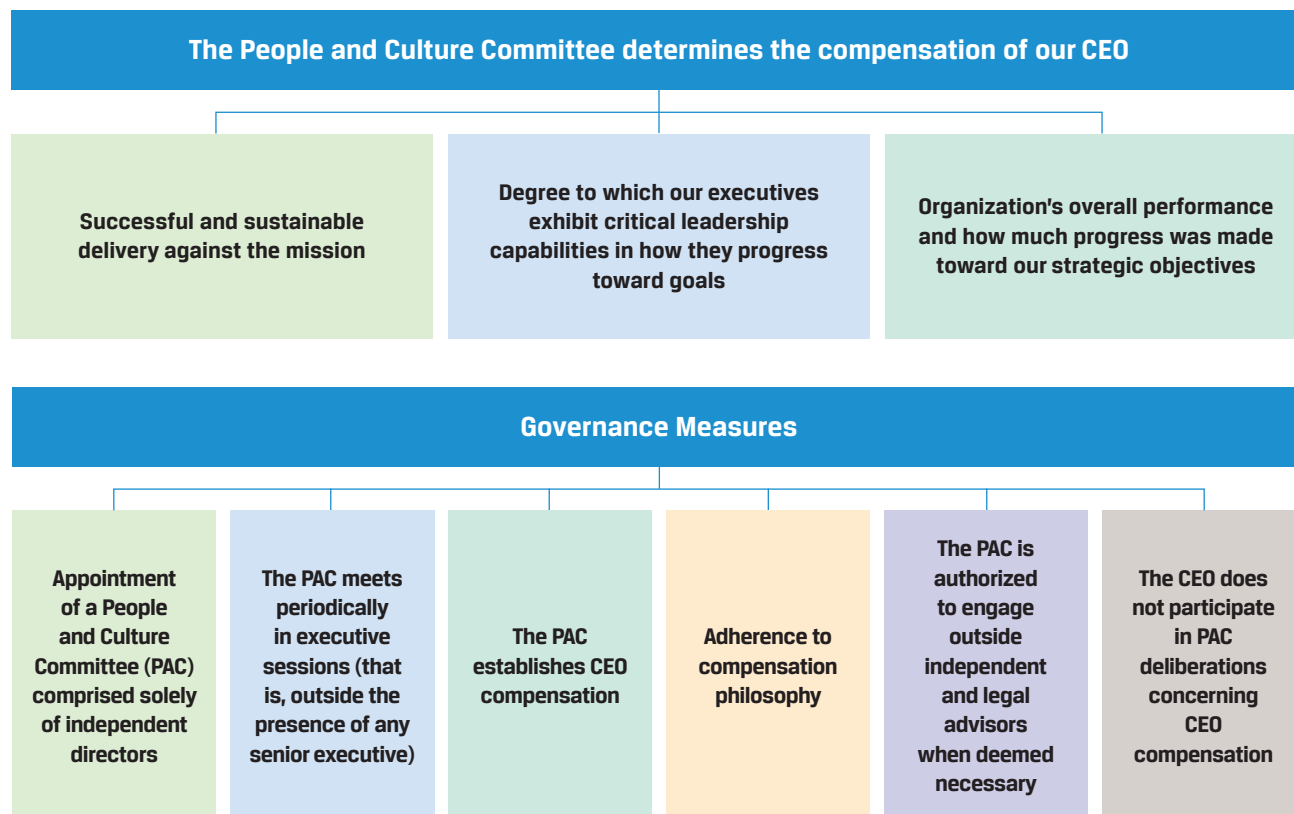
PHILOSOPHY AND OBJECTIVES OF OUR EXECUTIVE COMPENSATION PROGRAM

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:

- Competitive and equitable programs that support the strategic goals of our organization;
- Global consistency in the design of our compensation programs while recognizing the need to reflect local practices where necessary;
- Balancing the need to attract talent from the industry, while simultaneously recognizing the not-for-profit structure of our business when designing pay practices; and
- Programs that are consistent, fair, and free from discrimination.

Factors Considered in Our Executive Compensation Decision



Role of the People and Culture Committee

We are committed to having a strong and effective corporate governance framework. The People and Culture Committee (PAC) of the CFA Institute Board of Governors provides oversight on executive pay. There are four independent governors on this committee. They are free of any relationship that would interfere with their exercise of independent judgment or have fully declared any possible conflicts and have recused themselves of decisions where appropriate. The PAC 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 PAC determines the compensation of our CEO, including any incentive, and the group may engage independent consultants to provide necessary compensation recommendations. The PAC 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 Chief Legal Officer (CLO) has a dual reporting relationship with the CEO and the Board Chair. The compensation for both the CCREO and CLO is reviewed and approved by the PAC.

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 towards 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 PAC considers other factors as well, such as the organization's overall performance and how much progress was made towards our strategic objectives to determine the CEO's compensation.

We review and discuss any disclosures regarding our compensation plans, policies, programs, and practices with the PAC 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 succession plans for our CEO and other executives with the PAC, 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.

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

At the end of the performance cycle, the CEO reviews his or her assessment of each executive's individual performance and compensation recommendations with the PAC 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 2019 executive market survey. The study is conducted on an independent fee basis, and the PAC 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:

- American Bankers Association
- American Bar Association
- American Institutes for Research in the Behavioral Sciences
- American Institute of Certified Public Accountants
- The Brookings Institution
- Certified Financial Planner Board of Standards
- Chartered Alternative Investment Analyst Association
- College Entrance Examination Board
- Conference Board, Inc.
- Educational Testing Service
- Financial Industry Regulatory Authority
- Global Association of Risk Professionals
- Graduate Management Admission Council
- Institute of International Education
- Investment Company Institute
- Mortgage Bankers Association of America
- 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 2019 executive study and is not meant to be exhaustive. It is important to note that for 2019, the PAC engaged a new global management consulting firm to conduct the executive pay study. This change was made to ensure the comparables for 2019 continue to be current and relevant and that the salary benchmarks derived through this independent review are sound and legally defensible.

NOT-FOR-PROFIT

Peer companies are based on mission, revenue, headcount, and global presence.

Pay data are collected from publicly disclosed IRS Form 990s.

INVESTMENT MANAGEMENT

Focusing on investment management firms, competitive market data are provided for the chief executive and other select executive positions.

Data are summarized by location and size of organization.

ACADEMIA/HIGHER EDUCATION

Education pay data include top administrative positions as applicable.

Third-party survey data are used, focusing on PhD-granting universities.

Publicly disclosed pay data are used, focusing on the top 50 business schools.

GENERAL INDUSTRY

Pay data include pay levels from the global markets in which our offices are located.

Data are sourced from third-party general industry survey providers.

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 PAC, we have adopted two policies to address areas of risk with regards to our executive pay and to align CFA Institute with industry best practice. These policies address executive incentive compensation issuance and recoupment.

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

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

It is important to note that in 2019, due to a change in audit providers, it was necessary that the audit process be especially thorough as the new audit provider lacked the historical relationship and familiarity with CFA Institute that the previous provider had. Due to the need for a more robust and therefore lengthy process to ensure the same level of thoroughness and accuracy in the audit, the 2019 audit was completed later than usual. In anticipation of passing the audit, the Board of Governors of CFA Institute approved an early payout of incentive compensation to executives prior to the conclusion of the audit.

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

PAY COMPONENT	PURPOSE	2019 COMPENSATION ACTIONS
Annual Base Salary		
Regular annual salary of the executive.	Provides fixed level of competitive compensation to attract, motivate, and retain executive talent.	Effective 1 November 2019, the following salary increases were approved:
	Compensates executives for their level of responsibility, relative expertise, and experience.	10.5% for MD, Americas; 4.26% for MD, APAC; 12.0% for MD, EMEA; 8.33% for MD, Human Resources.
		Salaries of all other executives stayed the same.
Annual Incentive Plan		
Offers opportunities that are set as a percentage of base salary.	Motivates and rewards executives for achieving annual organizational objectives aligned with value creation.	Annual Incentive for the President and CEO for fiscal year 2019 was determined by the PAC at 83% of base salary. In addition, the PAC approved a prorated 2020 incentive of \$166,700.
President and CEO may earn up to 100% of base salary.	Recognizes individual contributions to organizational performance.	Annual incentives for all other managing directors for fiscal year 2019 ranged from 30% to 50%.
Managing directors may earn up to 50% of base salary.		The average managing director incentive awarded was approximately 43%.
It is important to note that beginning in FY2020, annual incentive opportunity for managing directors will increase to up to 75% of base salary. This is meant to better align our incentive opportunity with market practice. Previously communicated targets have not changed.		

Retirement Program

CFA Institute provides a US 401(k) retirement plan for all employees paid through US payroll. In 2019, profit sharing contributions included a fixed 5% contribution and a 7% variable discretionary contribution approved by the PAC. These contributions were made to all US employees on the same basis. It is important to note that beginning in 2020, the discretionary contribution will be removed, and the fixed contribution will increase to 12%. This change was made to further strengthen our generous benefits program, which helps us attract, retain, and engage top talent.

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

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

For Hong Kong employees, profit-sharing contributions made by CFA Institute to a mandatory provident fund (MPF) plan include a fixed 5% contribution and a variable discretionary contribution that is approved annually by the PAC. 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. It is important to note that beginning in 2020, the discretionary contribution will be removed and the fixed contribution will increase to 10%. As with the US 401(k) contribution, this change was made to strengthen our generous benefits program, which helps us attract, retain, and engage top talent.

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. UK pension contributions are subject to an annual contribution cap of £40,000 and a lifetime contribution cap of £1.03 million.

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 participate in these plans on the same terms as other employees, except for being eligible for a higher level of life insurance than other employees.

Post-Employment Payments

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, 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 2019. 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 2019, (iii) utilized the exemption permitted under Item 402(u) of Regulation S-K to exclude 18 employees from two countries—India and China (which, in the aggregate, made up less than 5% of our total employee population as of 31 August 2019)—resulting in a net employee population of 614 employees, and (iv) adjusted non-US employee pay applying foreign currency translation rates.

For 2019, 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 \$95,950; and
- the annual total compensation of our CEO for the purposes of determining the CEO Pay Ratio was \$1,248,110.

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 13 to 1.

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 2019 (sorted by 2019 earnings). The amounts are shown in US dollars.

Name and Position	Fiscal Year	Base Salary ⁽¹⁾ (\$)	Incentive ⁽²⁾ (\$)	Retirement Restoration ⁽³⁾ (\$)	Retirement Plan Contribution ⁽⁴⁾ (\$)	Other ⁽⁵⁾ (\$)	Total ⁽⁶⁾ (\$)
Paul Smith, CFA^{(7),(9)} President & CEO HK	2017	598,059	480,000		130,564		1,208,623
	2018	592,410	503,600		125,715	101,700	1,323,426
	2019	592,908	498,430*		131,625	336,492*	1,559,455*
Kurt Schacht, CFA MD, Standards & Advocacy	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
	2019	370,800	111,240*	29,304	33,180	89,870*	634,394*
Bjorn Forfang, CFA MD, Relationship Management (separated 26 Apr 2019)	2017	475,000	285,000	40,400	36,550	10,640	847,590
	2018	475,000	242,300	58,800	33,600		809,700
	2019	313,068	0*	53,676	23,902	294,310*	684,956*
Nick Pollard^{(7),(9)} MD, APAC HK	2017	324,367	129,934		58,270	34,552	547,123
	2018	321,328	144,600		33,739	36,322	535,989
	2019	321,573	160,147*		59,813	32,489*	574,002*
Sheri Littlefield MD, Chief Legal Officer	2017	290,000	102,000	15,282	32,400		439,682
	2018	290,000	130,500	14,640	32,400	10,850	478,390
	2019	321,667	114,800*	18,220	36,040	15,859*	506,586*
Diane Basile, CFA MD, Chief Financial Officer (hired 17 Jan 2017) (separated 19 Jul 2019)*	2017	208,212	80,000		12,950	84,794	385,956
	2018	335,000	150,800		49,800	12,110	547,711
	2019	297,778	0*	25,296	32,140	37,152*	392,366*
Steve Horan, CFA, CIPM MD, Credentialing	2017	300,000	114,000	18,083	32,400		464,483
	2018	300,000	120,000	17,280	32,400		469,680
	2019	316,667	143,000*	17,800	34,600		512,067*
Michael Collins MD, Service Delivery & CMO	2017	280,000	134,400	5,920	32,400		452,720
	2018	280,000	126,000	17,328	32,400		455,728
	2019	309,167	141,750*	16,420	35,800		450,917*
Chris Ainsworth MD, Human Resources (hired 19 Jun 2017)	2017	61,364	25,000		3,000	115,899	205,263
	2018	300,000	135,000		39,000	16,953	490,953
	2019	300,000	150,000*	19,200	33,000		502,200
Gary Baker, CFA^{(8),(9)} MD, EMEA & Research UK	2017	302,359	117,522		22,880		442,761
	2018	324,148	158,600				482,748
	2019	304,045	152,000*		27,720		468,603
Emily Dunbar^{(8),(9)} MD, Member Value & Society Relations (promoted 01 Dec 2017) UK	2017						
	2018	248,119	133,200				381,319
	2019	255,397	102,144*		44,439		401,980*
Leilani Hall, CFA, CIPM MD, Chief Compliance, Risk & Ethics Officer (promoted 16 Mar 2019)	2017						
	2018						
	2019	273,266	118,000*	6,585	35,243	11,559*	444,653*
Elaine Cheng MD, Chief Information Officer (separated 11 Mar 2019)	2017	295,000	115,000	17,090	32,400		459,490
	2018	295,000	115,000	16,800	32,400		459,200
	2019	155,322	0*	16,200	16,775	18,989*	207,286*
Darin Goodwiler MD, Chief Compliance, Risk & Ethics Officer (separated 31 Oct 2018)	2017	210,000	84,000	2,880	32,400		329,280
	2018	226,667		3,280	34,000		263,947
	2019	38,333			4,600	135,946	178,880

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⁾ 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 \$270,000 for calendar year 2017, \$275,000 for calendar year 2018, and \$280,000 for calendar year 2019. 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 are £40,000 per year with a lifetime limit of £1,055,000.

- (4) Employer retirement contributions made to the executive's retirement or pension plan.
- (5) 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 his relocation to the United States.
 - The bonus as reported under this category includes sign-on and lump sum relocation payments of \$115,000 for Mr. Ainsworth in 2017, \$70,000 for Ms. Basile in 2017, and \$70,000 for Mr. Schacht in 2019.
- (6) Total represents total value of columns 1-6.
- (7) Mr. Smith and Mr. Pollard are paid in Hong Kong dollars. The USD equivalents are shown in the table above. HKD to USD conversion rates used in 2017, 2018, and 2019 are 0.129, 0.127, and 0.127 respectively.
- (8) Mr. Baker and Ms. Dunbar are paid in British pounds. The USD equivalents are shown in the table above. GBP to USD conversion rates used in 2017, 2018, and 2019 are 1.266, 1.410, and 1.216 respectively.
- (9) The treasury team at CFA Institute obtains and averages daily data pulls from Bloomberg for the fiscal year to provide conversion rates. For 2019, OANDA rates were used.

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

	Paul Smith, CFA			Kurt Schacht, CFA			Bjorn Forfang, CFA		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Bonus (Sign-On, Other)	\$	319				\$ 1,500			\$ 5,000*
Group-Term Life			\$	9,884	\$ 9,884	\$ 15,974	\$ 6,708		\$ 4,397
Long Term Disability			\$	2,262	\$ 2,039	\$ 1,928	\$ 2,440		\$ 1,364
PTO Payout									\$ 44,450
Relocation Non-Cash									
Tax Gross Up	\$	56,896	\$ 144,733		\$ 25				
Taxable Fringe Benefits				\$	50				
Taxable Airfare							\$	370	
Wellness Reim									
Relocation Lump Sum						\$ 70,000			
Severance									\$ 238,500
Expat Miscellaneous									
Employee Referral									
Executive Life	\$	337	\$ 533	\$ 1,016	\$ 817	\$ 467	\$ 1,122		\$ 599
Parking				\$	1,228				
Tax Prep Services	\$	44,149	\$ 23,076						
Taxable UK Health Plan									
Taxable UK Medical									
HK Housing Allowance									
Net US Taxes									
Tax Equalization			\$ 168,149						
Total Other Income	\$0	\$ 101,700	\$ 336,492	\$ 14,390	\$ 12,815	\$ 89,870	\$ 10,640	\$0	\$ 294,310*

* The amounts cited on pages 54 and 55 were incorrectly listed in the proxy statement published on 21 March 2020 and have been amended in this republished version dated 3 August 2020. The following changes were captured:

- (1) Reported Incentive amounts changed from what was paid in that fiscal year to what was earned in the fiscal year per definition in the footnote.
- (2) Reclassified CFA Bonus paid to Bjorn Forfang from *Incentive* earnings to *Other* earnings.
- (3) Corrected Diane Basile's separation date.
- (4) The *Other* column in the Compensation Summary Table did not include *Executive Life* amounts from table showing the breakdown of the *Other* amounts. The *Other* amounts in the Compensation Summary Table are now equal to the *Total Other Income* amounts in the breakdown table.
- (5) *Total* in Compensation Summary Table updated as a result of changes made to *Incentive* and *Other* amounts.

	Nick Pollard			Sheri Littlefield			Diane Basile, CFA		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Bonus (Sign-On, Other)									
Group-Term Life				\$ 1,476	\$ 2,245	\$ 3,501	\$ 5,795	\$ 5,131	
Long Term Disability				\$ 1,595	\$ 1,673	\$ 1,272	\$ 1,843	\$ 1,543	
PTO Payout									\$ 30,057
Relocation Non-Cash						\$ 9,899			
Tax Gross Up				\$ 24			\$ 24		
Taxable Fringe Benefits				\$ 50	\$ 11,735		\$ 50		
Taxable Airfare				\$ 7,403			\$ 3,349		
Wellness Reim							\$ 438		
Relocation Lump Sum						\$ 70,000			
Severance									
Expat Miscellaneous									
Employee Referral									
Executive Life	\$ 41	\$ 221	\$ 332	\$ 302	\$ 206	\$ 122	\$ 612	\$ 422	
Parking									
Tax Prep Services	\$ 2,075	\$ 3,968							
Taxable UK Health Plan									
Taxable UK Medical									
HK Housing Allowance	\$ 32,437	\$ 32,133	\$ 32,157						
Net US Taxes									
Tax Equalization									
Total Other Income	\$ 34,552	\$ 36,322	\$ 32,489	\$0	\$ 10,850	\$ 15,859	\$ 84,794	\$ 12,110	\$ 37,152

	Steve Horan, CFA, CIPM			Michael Collins			Chris Ainsworth			Gary Baker, CFA		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Bonus (Sign-On, Other)												
Group-Term Life							\$ 504	\$ 2,760				
Long Term Disability							\$ 366	\$ 1,650				
PTO Payout												
Relocation Non-Cash								\$ 10,946				
Tax Gross Up								\$ 25				
Taxable Fringe Benefits								\$ 50				
Taxable Airfare								\$ 1,030				
Wellness Reim												
Relocation Lump Sum							\$115,000					
Severance												
Expat Miscellaneous												
Employee Referral												
Executive Life							\$ 30	\$ 492				
Parking												
Tax Prep Services												
Taxable UK Health Plan												
Taxable UK Medical												
HK Housing Allowance												
Net US Taxes												
Tax Equalization												
Total Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$115,899	\$ 16,953	\$0	\$0	\$0	\$0

	Emily Dunbar		Leilani Hall, CFA, CIPM	Elaine Cheng			Darin Goodwiler		
	2018	2019	2019	2017	2018	2019	2017	2018	2019
Bonus (Sign-On, Other)			\$ 300						
Group-Term Life			\$ 9,651			\$ 958			\$ 347
Long Term Disability			\$ 1,421			\$ 831			\$ 199
PTO Payout						\$ 16,827			\$ 19,750
Relocation Non Cash									
Tax Gross Up									
Taxable Fringe Benefits									
Taxable Airfare									
Wellness Reim									
Relocation Lump Sum									
Severance									\$ 115,650
Expat Miscellaneous									
Employee Referral									
Executive Life			\$ 186			\$ 372			
Parking									
Tax Prep Services									
Taxable UK Health Plan									
Taxable UK Medical									
HK Housing Allowance									
Net US Taxes									
Tax Equalization									
Total Other Income	\$0	\$0	\$11,559	\$0	\$0	\$ 18,989	\$0	\$0	\$ 135,946



INFORMATION ABOUT THE MEETING AND VOTING

RECOMMENDATIONS

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

QUORUM

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

VOTING

Each Regular Member will be entitled to one vote with respect to each matter considered at the meeting. The amendments to the Articles of Incorporation require an affirmative two-thirds of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present. The amendments to the Bylaws require a majority of the votes cast, in person or by proxy, at a meeting of the members at which a quorum is present. The election of the Chair, the Vice Chair, and two governors requires a plurality 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 2019, 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 ARTICLES OF INCORPORATION AND BYLAWS

The CFA Institute Articles of Incorporation and Bylaws as amended per the proposed changes appear on the following pages.

ACCESSING THE ANNUAL MEETING OF MEMBERS REMOTELY

The Annual Meeting of Members will be held at CFA Institute, 915 East High Street, Charlottesville, Virginia USA on Sunday, 17 May 2020 at 12:00 p.m. Eastern Time.

During the meeting, please visit <http://www.virtualshareholdermeeting.com/CFA20>. 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.

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APPENDIX: AMENDED CFA INSTITUTE ARTICLES OF INCORPORATION AND BYLAWS

CFA Institute (A Virginia Nonstock Corporation) ARTICLES OF INCORPORATION Amended and Restated 17 May 2020

ARTICLE 1 – NAME

The name of the corporation is "CFA Institute."

ARTICLE 2 – PURPOSES

The purposes of CFA Institute are:

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

ARTICLE 3 – POWERS

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

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

ARTICLE 4 – MEMBERS

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

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

ARTICLE 5 – BOARD OF GOVERNORS

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

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

The President shall serve as an ex officio member of the Board for a term concurrent with his or her respective term in office. Except as set forth in the last sentence of this Article 5, other Governors shall be elected by the Regular Members of CFA Institute at the annual meeting of members and each serve for a term of three (3) years, staggered so that, as nearly as possible, the terms of one-third (1/3) of such Governors shall expire at the end of the CFA Institute fiscal year. Each Governor shall be elected by the Regular Members of CFA Institute entitled to vote in the election by the vote of a majority of the votes cast with respect to the nominee at any meeting for the election of Governors at which a quorum is present, provided, however, that the Governors shall be elected by a plurality of the votes cast by the Regular Members of CFA Institute entitled to vote in the election of Governors at any meeting of Regular Members of CFA Institute for which the Secretary of CFA Institute receives a notice that a Regular Member has nominated a person for election as a Governor in compliance with Article 9.5 of the Bylaws and such nomination has not been withdrawn on or prior to the tenth (10th) day preceding the date CFA Institute first mails its notice of meeting for such meeting to the Regular Members. For purposes of this Article 5, a majority of the votes cast means that the number of votes cast "for" a nominee's election must exceed the votes cast "against" such nominee's election. Each Governor shall serve until the election and qualification of his or her successor. In the event that any Chair or Vice Chair is either (i) not an elected Governor immediately prior to serving in such office or (ii) an elected Governor whose term on the Board has or would otherwise expire prior to or during his or her term in such office, the Chair or Vice Chair shall serve as an ex officio member of the Board for a term concurrent with his or her term in office.

ARTICLE 6 – DISSOLUTION

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

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

ARTICLE 7 – LIMIT ON LIABILITY AND INDEMNIFICATION

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

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

CFA Institute
(A Virginia Nonstock Corporation)
BYLAWS
Amended 17 May 2020

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 Regular Member who previously served as the Chair immediately prior to the currently serving Chair.
- 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 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 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 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, and Vice 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.
- (c) Any Chair elected to serve a term commencing on or after 1 September 2021 shall not have served as a Governor during the CFA Institute fiscal year beginning 1 September 2019.

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 election and qualification of his or her successor. Effective 1 September 2021, the Chair and the Vice Chair may serve consecutive terms, up to a maximum of six (6) terms as Chair and two (2) terms as Vice Chair, in each case subject to the election 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 or required by applicable law, each committee shall act under the supervision and control of the Board or as designated by the Board, to (i) an Oversight Committee or (ii) member(s) of Management for a committee that does not (A) have specific responsibilities pursuant to the Bylaws and/ or (B) exercise the authority of the Board.
- (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, 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, Oversight Committee or member(s) of Management having responsibility for such committee, to serve for a term of one (1) year or such longer period as the Board, Oversight Committee or member(s) of Management 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;
- (c) each member of a committee shall be a Regular Member except to the extent that the Board, Oversight Committee or member(s) of Management having responsibility for such committee shall determine otherwise;
- (d) the Board, Oversight Committee or member(s) of Management 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, Oversight Committee or member(s) of Management 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. For the avoidance of doubt, each member of (i) a committee of the Board shall be a Governor, and (ii) any other committee shall be comprised of such members as provided in the Bylaws or by resolution of the Board; and
- (e) the Board, Oversight Committee or member(s) of Management having responsibility for a committee shall have the authority to remove any chair or member of such committee.

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, Oversight Committee or member(s) of Management having responsibility for such committee to assist in providing oversight of such committee at least once each fiscal year covering the committee activities since the previous report. Each committee shall report to the Board, Oversight Committee or member(s) of Management having responsibility for such committee at any time upon request.

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) one (1) Regular Member who is the Past Chair or other Regular Member serving as a Governor elected by the Board;
 - (ii) two (2) Regular Members elected by the Board 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) On an annual basis and commencing no later than 1 September 2020, the Board shall select one of the two (2) members serving on the Nominating Committee pursuant to Article 9.1(b)(ii) to serve as chair of the committee. Until such time as the Board has selected a member serving on the Nominating Committee pursuant to Article 9.1(b)(ii) as chair, the Past Chair shall serve as chair of the committee.
- (d) Each member of the Nominating Committee other than the Past Chair shall serve a two (2) year term. The terms of the representatives from each constituency in Article 9.1(b)(ii) and (iv) will be staggered as determined by the Board so that (A) the terms of one representative referred to in Article 9.1(b)(ii) and one representative referred to in Article 9.1(b)(iv) shall expire at the end of the CFA Institute fiscal year beginning 1 September 2020 and at the end of every second CFA Institute fiscal year thereafter, and (B) the terms of the remaining representatives referred to in Article 9.1(b)(ii) and 9.1(b)(iv) shall expire at the end of the CFA Institute fiscal year beginning 1 September 2021 and at the end of every second CFA Institute fiscal year thereafter. 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 the affirmative vote of a majority of the votes entitled to be cast by the Regular Members present or represented by proxy at a duly held meeting at which a quorum is present, unless a greater majority is required in the Articles.

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