

**2023**

**PROXY & NOTICE OF ANNUAL  
MEETING OF MEMBERS**



**CFA Institute**

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# MESSAGE FROM THE CHAIR

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**MARK LAZBERGER, CFA**





# DEAR COLLEAGUES,

**T**hank you in advance for taking the time to read this proxy statement and voting on the proposals before the membership. Your ongoing support of CFA Institute during this prolonged period of uncertainty is greatly appreciated. Although we have now emerged from the worst of the pandemic, we are still seeing its effects in candidate pass rates and in markets that continued to experience disruption of exam administrations till very recently.

In this proxy statement we present candidates for election and re-election to the Board of Governors, and we seek your support to ratify the appointment of our auditor KPMG.

When I wrote to you in last year's proxy statement I had been quite recently appointed as Chair of the CFA Institute Board of Governors and was in my first year. At that stage the focus was on finalizing our strategy for the next three years and ensuring that there was appropriate governance and oversight always provided by the Board. Oversight of the organization includes ensuring that the CEO of CFA Institute and its executives are focused on the key strategic and operational priorities so that the organization can deliver on its global mission.

Another important aspect of board governance is in the realm of financial management. The leadership team responded quickly to the downturn caused by the pandemic and the significant fall in CFA Program candidate revenue by targeting expenses that could be pared back without compromising mission-critical services. The steps taken resulted in CFA Institute's expense line in FY2022 being \$89m lower than it was in the last full year, i.e., FY2019, prior to the pandemic.

Management has continued to maintain this discipline, with the active oversight of the Board, and their consistent control of expenditures has resulted in more streamlined operations, and a more sustainable expense base for the future.

Notwithstanding the challenging environment, we have maintained our focus on strategy and maintaining our relevance, building our community, and increasing our influence in the investment industry.

Our three strategic pillars are:

1. To evolve and grow the CFA Program
2. To build a diverse portfolio of learning products
3. To shape the future of the industry and the profession.

The financial year 2022 marked the commencement of our execution of the strategy.

The letter from President and CEO, Marg Franklin, goes into some detail on this and notes the material progress we are making against each of these initiatives. I can report that the Board is pleased with this advancement and sees the strategic initiatives as necessary responses to the evolving economic, learning, and investment management environments in which we are operating.

Moreover, management deserves credit for recognizing the actions to address the below trends:

- The rise of private markets
- The growth in private wealth management
- An increasing focus on sustainability across all sectors
- Changing learner preferences
- A proliferation of courses, certificates, and credentials being offered by universities, online education platforms, and by institutions themselves.

From the perspective of the Board, having approved the strategy, our role is to ensure that management is executing it to the agreed timeline and plans.

Management has made significant progress on each of the three elements of the strategy. We are looking forward to the first steps of a **revitalized CFA Program** in May 2023 when registration for the February 2024 exam opens – the first candidate cohort that will experience the program's enhancements, an initiative on which we are, naturally, very focused. We will report to the membership during the coming year on our progress.

The development of an **expanded suite of professional learning** offerings via courses and certificates is discussed by Marg Franklin in her report as part of this proxy statement, and we believe the courses and certificates that have been launched and are on the future roadmap stand as an important extension of our mission to educate investment professionals. Similarly, we maintain our commitment to, and investment in, publishing research, developing standards, and advocating with regulators on issues that are critical to the maintenance of an ethical and informed industry.

We have also just begun work on re-engineering our thinking and the processes we use to connect with you as a member. We intend to **offer members an enhanced set of benefits** – some exclusive – that will include an expansion of the professional development programs available, career resources to help you find a job when you need it, and more opportunities to connect with your fellow members in our unique global network. There are key operational initiatives getting underway to support these changes so that CFA Institute becomes a more proactive presence with members. This includes better targeting of the support provided to our global societies, and revamping the systems and resources allocated to supporting our members.

The objective of this work is to see CFA Institute grow its relevance to members and candidates, as well as the entire profession. Staying focused on core values remains key, as is the recognition that to deliver relevance and value requires making changes. Knowing what those changes are and how to best execute them is the responsibility of the Board of Governors and management.

In closing, FY2022 saw the world emerging from the restrictions of the prior two years. CFA Institute approached the challenges with a goal of seeing the organization, societies, and membership continue to develop and deliver genuine value to our profession and to investors who depend on a system that is fair, transparent, and reliable, for the ultimate benefit of society.

Thank you for your support and for your attention to the matters presented in this proxy statement.



**MARK LAZBERGER, CFA**  
**CHAIR, BOARD OF GOVERNORS**

# MESSAGE FROM THE PRESIDENT & CEO

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**MARGARET FRANKLIN, CFA**



# DEAR COLLEAGUES,

**T**hank you for taking the time to read your proxy materials and for participating in this process. After you have read these materials, please do take the time to vote. We value your active engagement as members.

Our Board Chair, Mark Lazberger, outlined the votes before the membership, and you will find more detailed information in this proxy document on our Board, the candidates before you for election, the Board's work, its committees, and much more.

My thanks, as always, to our all-volunteer Board of Governors. The amount of work they dedicate to our organization never ceases to amaze me, and I thank them one and all for their commitment to CFA Institute.

We find ourselves well into fiscal year 2023. While we are not prone to making financial forecasts, as it were, I am pleased with our financial condition year-to-date. We are on target with our overall forecasts for the full fiscal year.

As a mission-driven, not-for-profit organization, our strategy seeks to provide a stable, sustainable balance sheet to fund our important work. Our mission remains paramount in all that we do. We must train the next generation of leaders, we must imbue the industry with professionalism and a commitment to ethics to work for our clients and indeed the ultimate benefit of society, and we must serve our members at every stage of their career journey.

Our members lead this industry forward. We must, therefore, align with them and provide them with professional learning opportunities and leading-edge content that help keep them at the top of their field and able to better serve clients. Members have access to a wide range of member-exclusive content and learning opportunities, and in this past year, we introduced a host of new professional learning courses—in machine learning, data science, and performance measurement, to name a few—to enable our members to skill, upskill, and re-skill as needed. As members, I encourage you to avail yourselves of the opportunities we offer to you to deliver value in your daily roles and along your career journey.

The pace of change refuses to relent, and our Research, Advocacy, and Standards work seeks to help us all stay abreast. In March of this year, we released the in-depth [Handbook of Artificial Intelligence and Big Data Applications](#)

[in Investments](#), published by CFA Institute Research Foundation. The handbook reveals how asset managers are using artificial intelligence (AI) and big-data technologies to augment the investment process in pursuit of enhanced investment and business outcomes. We also took a deep dive into cryptocurrencies in "[Cryptoassets: Beyond the Hype](#)." It's a dispassionate review of the development of digital finance from the point of view of the investment practitioner. And we've continued to build out our offerings in the environmental, social, and governance (ESG) space with the ESG Disclosure Standards and the related handbook, along with our popular Certificate in ESG Investing.

I am pleased with the progress of the many initiatives we have underway at CFA Institute. I would like to take this opportunity to delve into the changes we announced in March regarding the very important evolutions of the CFA Program that are part of our strategy to enhance and grow the CFA Program—changes that we view as among the most significant to the CFA Program since the very first exam.

Technology and innovation continue to drive relentless change in the financial markets. We introduced the CFA Program in 1963, and it has been evolving ever since, in sync with financial markets. Over the years, we have regularly updated the program to ensure its ongoing value to our candidates, to their employers, and to clients. Many of our members have assisted with those endeavors.

The CFA Program is commonly known as the gold standard in the investment profession due to its rigor and for its ability to prepare investment professionals for success. We strive to supply the industry with the well-trained, ethical professionals it so requires.

CFA charterholders are highly regarded for their diligent approach to research, analysis, and portfolio management. In contemplating changes to the CFA Program, we applied the same exacting approach. We undertook extensive research with candidates and with employers across a range of firms and geographies to gauge what they require from the CFA Program. This feedback informed some significant changes to the CFA Program. You can view a short video from me on this topic on [LinkedIn](#).

We will introduce practical skills modules to all three levels of the CFA Program that will teach candidates on-the-job applications of what they learn in the program. We have heard repeatedly from employers that they want desk-ready new hires who can begin to contribute immediately to their clients and their businesses.

The race to acquire hands-on practical skills as early as possible continues to accelerate. These new modules will appear as self-contained 10- to 15-hour courses that focus on highly practical, real-world applications. Topics include financial modeling, alpha generation, and Python for investment managers, with more to come. These modules bring to life the materials covered in the CFA Program curriculum and model what work is like on the job. In doing so, we strive to deliver an offering that matches the way candidates both learn and work.

As part of our research, we performed job-role and market analyses to determine the future needs of the investment industry. Beyond portfolio management, two growth areas emerged: private wealth and private markets. We are therefore introducing specialized pathways at Level III for private wealth and private markets, while retaining the traditional portfolio management path. All three paths will be in pursuit of one credential: the CFA charter. The first exams with these pathways will be the Level III exams in 2025.

Strong growth in the wealth management sector continues globally, increasing the need for more highly trained, ethical professionals. And investments in private markets continue to drive a larger and more permanent share of the capital markets globally and asset allocation models.

The three learning paths will have a common core of material, while each specialized path will teach candidates the application of their skills through a lens most relevant to their preferred career in the industry. I want to note that the rigor of the study experience and exams will be identical.

We will also recognize the achievement of passing Levels I and II by awarding candidates an enhanced digital badge. We recognize that the CFA Program is challenging, and the journey can be long. That process became even more arduous during the pandemic. Yet we know that candidates choose the program as a signal to the market of their serious intent to pursue a career in the profession, and they will put in the hundreds of hours of work required to succeed in the program.

We want to emphasize value to candidates and employers alike along the journey, as opposed to only at the end. We believe—and our market research supports this view—that offering tangible evidence of success in passing Levels I and II will assist our candidates in their career paths and be a proof point to employers of a candidate's commitment.



The personal investment in studying for the CFA Program remains very high. In our research, we found that today's candidates are spending significantly more than 300 hours to study for each level. We are therefore incorporating best practices in instructional design to ensure the content is efficient, accessible, and relevant while maintaining the rigor of the CFA Program.

To do so, we will designate a small portion of the content and concepts as "introductory"—meaning most candidates should already have this knowledge from their undergraduate studies or their work experience. The material will remain in the curriculum for anyone who wants to review it, but it will not be tested. By removing some of this root material, most candidates will revert to requiring about 300 hours of preparation at each level, which we see as our brand promise for study time.

Finally, candidates have consistently asked for more practice opportunities in advance of their exams. Candidates will have the opportunity to purchase enhanced learning materials, such as significantly more practice questions and six additional mock exams initially at Level I, starting in May of this year.

In November 2022, we announced the first CFA Program changes. We extended CFA Program candidate eligibility by one year to include students with two years remaining in their undergraduate studies. This new eligibility policy provides students with the opportunity to use Level I of the CFA Program as a clear signal to employers that they are serious about a career in the investment profession by getting an early start in the program. And it allows them to apply their sharp study skills as they pursue their degrees.

Our research found that undergraduate university students—already immersed in studying and skilled at exam preparation—sought to enroll in the CFA Program earlier to gain an edge in the highly competitive marketplace for coveted internships and employment.

Since we initiated this change last year, we've seen many new candidates take advantage of the expanded eligibility, and professors have viewed this change positively, too.

I'm excited by what these changes mean for our candidates and the industry at large. I am confident that these enhancements will maintain the program's rigor and continue to set the educational standard for the global financial industry. Earning the charter will remain the crowning, coveted achievement that it has always been for an early-career finance professional.

Of course, the CFA Program changes are not the only initiative we have underway.

In February, we launched a refreshed and enhanced Investment Foundations Certificate. We took the opportunity to step back and reassess what we thought the Investment Foundations Certificate could deliver to the market. In doing so, we again reached out to the industry, speaking with those in management, human resources professionals, learning and development teams, and others to ascertain how the Investment Foundations Certificate could best help individuals in non-investment roles succeed at work.

At its core, the Investment Foundations Certificate is designed for non-investment professionals who work or seek to work in marketing, communications, sales, human resources, IT, support, legal, and compliance roles at investment organizations, such as firms in asset management, wealth management, private equity, real estate, or venture capital.

The program covers basic concepts about the investment industry. It also enables professionals or those aspiring to get a job in the industry with an ability to think critically to ask the right questions and ultimately open doors to new roles in the industry.

At launch, we were proud to announce that organizations including AXA Investment Managers, Mercer, MSCI, State Street Global Advisers, UBS Asset Management, and BNP Paribas Asset Management had signed up to offer access to the Investment Foundations Certificate to their teams. We see the certificate as an important initiative and core to our efforts to be where the investment industry comes to skill, upskill, and re-skill.

We continue to build out our professional learning offerings. Earlier this year, we launched a Data Science for Investment Professionals Certificate. This certificate is ideal for investment professionals who want to develop a basic, practical understanding of data-science application in the investment process and to be able to act as the "translator" between data-science teams, investment professionals, and clients. It includes practical applications of Python.

We drew on research and partnerships with industry professionals and data scientists who are experts in incorporating data-science techniques throughout the investment process to develop the Data Science for Investment Professionals Certificate. As the industry continues to embrace technological advances, we must help our membership and, indeed, the industry at large stay current.

We've also been adapting our society operating model. The model segments societies based on market opportunities and society capabilities; provides sustainable, reliable, and transparent funding to societies; and provides core services of infrastructure (technology and staff support) and community.

Late in 2022, we were fortunate to once again be able—for the first time in three years—to gather in person with our society leaders at conferences in Boston, Vienna, and Kuala Lumpur. At those gatherings, we collaborated with society leaders to identify opportunities and differences across markets for driving value to our collective members and other stakeholders.

The Board approved society grant funding of \$15.6 million for FY24. Our society strategy seeks to optimize the society network to best effect based on a differentiated framework. The society operating model—how we will work with and allocate resources to societies—is one that recognizes the value of societies in aggregate while acknowledging their specific capabilities and resources.

Our plan entails effectively and responsibly sharing resources, catalyzing high performance in support of mutual goals, and laying the foundations for a growing and connected membership base. I'm thankful for the time and input of our volunteer society leaders as we have been on this journey of transformation.

These are among the many exciting initiatives we have underway. We live in times of great change, and I can assure you that our organization is not standing still. I thank you for your support and engagement.



**MARGARET FRANKLIN, CFA**  
**PRESIDENT AND CEO**



# NOTICE OF THE ANNUAL MEETING OF MEMBERS\*

## PURPOSE

- To elect a Chair and a Vice Chair of the CFA Institute Board of Governors for fiscal year 2024.
- To elect three governors, each to serve a term beginning 1 September 2023 and ending 31 August 2026.
- To ratify the selection of an independent registered public accounting firm for fiscal year 2023.
- To transact any other business that properly comes before the meeting or any adjournment.

All Regular Members\* at the close of business on 9 May 2023 will be entitled to vote at the meeting and any adjournments.

This notice and the Proxy Statement will be mailed on or about 17 May 2023 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**  
**CORPORATE SECRETARY, CFA INSTITUTE**

\*In mainland China, CFA Institute accepts CFA charterholders only.



## AUDIO WEBCAST

Zoom Webinar for Annual Meeting of Members has been scheduled for Wednesday, 12 July, 4:00 pm EDT/20:00:00 UTC (audience join link: <https://cfainstitute-org.zoom.us/j/91617540482>).

Instructions for joining by phone are below:

Dial-in (for higher quality, dial a number based on your current location):

US: +1 646 876 9923  
Belgium: +32 2 788 0172  
China: +86 10 5387 6330  
Hong Kong SAR: +852 5808 6088  
India: +91 226 480 2722  
United Arab Emirates: 800 035 704 555  
United Kingdom: +44 203 481 5237

Webinar ID: 916 1754 0482

Other International numbers are available:  
<https://cfainstitute-org.zoom.us/u/apFDsgk9p>

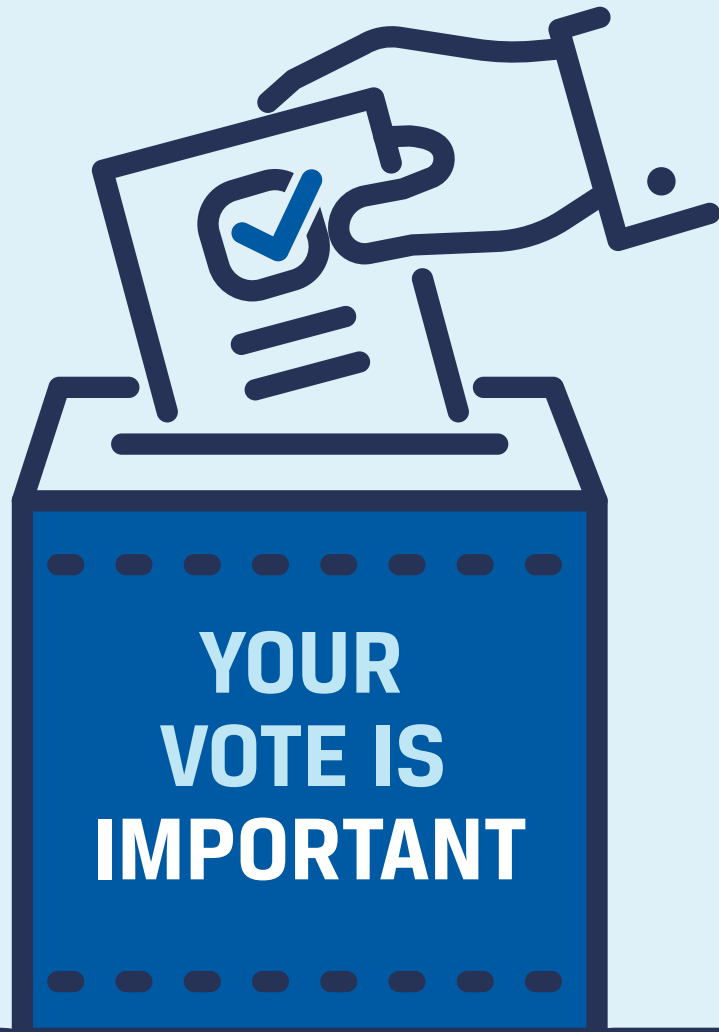


## DATE & TIME

Wednesday, 12 July 2023 4:00 pm Eastern Daylight Time (New York, USA) / 20:00:00 UTC

Regular Members are encouraged to participate via live audio webcast.





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) / 15:59:00 (UTC) on Tuesday, 11 July 2023.



## BY INTERNET

Visit <https://vote.escvote.com/cfainstitute> to vote online. Please reference your proxy card information when you access the website and follow the instructions to obtain your records and submit your electronic ballot.



## BY MAIL

Mark, sign, and date your proxy card and return it in the postage-paid envelope provided by Election Services Corporation. Your vote will be mailed to P.O. Box 9020, Ronkonkoma, NY 11779.

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

If you require assistance with voting, please contact Election Services Corporation by email at [cfainstitutehelp@electionservicescorp.com](mailto:cfainstitutehelp@electionservicescorp.com) or call toll free at +1 (866) 720-4357 / (516) 688-7013.

# STRATEGY:

## SUSTAINABILITY, VOLUNTEERING, DEI



# STRATEGY

In 2020, we decided it was time to create a new strategy for the organization. We had benefited from almost 10 years of uninterrupted organic growth in candidates and members, although even ahead of the effects of the pandemic, we had detected signs of a weakening in demand for the program. This weakness was evident in mature markets, such as North America and certain European markets, but also in our growth markets, such as China and India.

The onset of the pandemic underscored the need for urgency in assessing our position in the market, the relevance of the CFA Program to new generations of students and early-career candidates, and the organization's ability to keep pace with new modes of learning and new learning needs among today's investment professionals. We observed changing dynamics among our candidates and in the market that reinforced this view:

- Shrinking of active management and the rise of private markets
- Growth in private wealth management
- Increasing focus on sustainability
- Changing customer-learning preferences and an increasingly competitive landscape

In short, we recognized that we needed to look beyond what we do for our members and candidates today to better meet their needs in the future.

The resulting three strategies are designed to maintain our relevance, build our community, and increase our influence within the investment ecosystem:

- 1 Evolving and growing the CFA Program**
- 2 Building a diverse portfolio of learning products**
- 3 Shaping the future of the industry and the profession**

With cutting-edge thought leadership, we can drive how the industry thinks and what it does. Through our professional standards and advocacy, we can bolster a more principled industry. Expanding our suite of educational products will support professional development from career entry to exit.



## WHERE ARE WE NOW?

1

### **Evolving and growing the CFA Program**

The CEO's letter describes the launch plans for this major initiative to evolve the CFA Program and provides details of the changes that we announced earlier this year. These are the result of extensive research with candidates and employers, as well as an analysis of candidate growth data, market dynamics, and demand from adjacent industries.

2

### **Building a diverse portfolio of learning products**

As noted in the letter from the CEO, the portfolio continues to expand beyond online courses and is building on the success of the Certificate in ESG Investing, which we launched globally in FY2021, having acquired it from CFA Society UK, and which now has more than 22,000 candidates registered. We have re-launched a new and much improved Investment Foundations Certificate, as well as a Certificate in Data Science, with several more planned for next year. These products offer a series of courses that culminate in a certificate, which is in keeping with what our research has told us about learner preferences, and offer new and aspiring, as well as existing, investment professionals a range of practical courses on relevant topics.

3

### **Shaping the future of the industry and the profession**

Adoption of our codes, standards, and policy positions and public recognition of CFA Institute and its mission position us as the investment management industry's thought leaders. We continue to evolve our standards and publish new research, which we will showcase in a new Research and Policy Center later this calendar year. We will publish 12 new pieces of research in fiscal year 2023. We published a white paper that reconciled the GIPS standards to the SEC Market Rule and completed the Chinese translation of the 2020 GIPS standards for firms. We are pleased with the pace of adoption of the Diversity, Equity, and Inclusion (DEI) Code in North America, with more than 100 signatories since it launched last year. Work is underway with firms in Europe to develop a version of the Code in the region.

Given the headwinds of the pandemic, its impact on our candidates' ability to sit for their exams, and our ability to administer them, we are pleased that not only do our day-to-day operations continue to strengthen but also that we have maintained our focus on strategy execution. In the next section, we discuss the technology platforms and capabilities that are so important to the execution of our operations and our strategic initiatives.

## HOW ARE WE FACILITATING THE IMPLEMENTATION OF OUR STRATEGY?

Technology platforms and capabilities underlie most, if not all, of our strategic initiatives—Practical Application Modules, Specialized Pathways, CFA Program Practice Packs (mock exams and practice questions), Courses and Certificates, and the Research and Policy Center.

We are currently building or enhancing several of our key enterprise platforms that support Finance, eCommerce, Marketing, Sales, Community, Business Intelligence, Registration, and Learning & Content Management. All are critical to implementing our strategy, creating scale and efficiency, and a consistent customer experience by leveraging common features and functionality.

At a high level, these platforms support the development, distribution, and sale of products to our candidates and other target audiences, such as employers, regulators, and universities. They enable delivery of our content and events. They drive our decision making and reporting capabilities, and they support our community of members and societies and volunteer management.

On a more granular level, our Marketing and Sales platforms, for example, are supporting growth and diversification goals. They are enabling Business to Business activities and opportunities, expanding our promotion and demand generation campaigns through data capture, workflow automation, and marketing automation tools.

As this pivotal year unfolds, we remain laser focused on building and refining these platforms and capabilities that are vital to executing strategy and delivering on the organization's mission.







## 53% Decrease in GHG Emissions

FROM FY2021 TO FY2022

## SUSTAINABLE OPERATIONS

CFA Institute continues to focus on understanding and managing its carbon emissions and implementing sustainable operational practices, based on current industry standard measures. We are committed to an annual third-party measurement of greenhouse gas (GHG) emissions for all major CFA Institute operations, including our offices in Abu Dhabi, Beijing, Charlottesville, Hong Kong, London, Mumbai, New York City, Shanghai, and Washington, DC.

In fiscal year 2021, our analysis included a more comprehensive examination of the indirect emissions that occur as a result of the CFA Institute value chain. Using this expanded emission analysis, the GHG emissions for fiscal year 2022 were 11,379.40 metric tons CO<sub>2</sub>e, compared to 24,235.93 metric tons CO<sub>2</sub>e in fiscal year 2021. The decrease in overall GHG emissions in FY22 is predominantly driven by improved data collection on candidate travel patterns to exam sites.

In the fourth quarter of FY2021, we revised the Staff and Non-Staff Travel Policies to help the organization manage scope 3 emissions more effectively, especially as business travel rebounds post-pandemic. Changes include the introduction of a simple Travel Philosophy encouraging travelers to travel safely and responsibly when their physical presence is required and when a virtual alternative is not appropriate, to ensure an optimal business outcome.

CFA Institute is an active member of the Boston College Center for Corporate Citizenship and the Community Climate Collaborative's Green Business Alliance. These engagements allow our internal teams to collaborate with and learn from a wide range of businesses that are committed to reducing their environmental impact.



## A FOCUS ON VOLUNTEERISM

Service is a core value of CFA Institute, and we believe organizations have a responsibility to make a positive impact on the communities in which they operate. COVID-19, flexible work arrangements, and a sharp increase in remote workers have impacted in-person activities, including volunteerism. Our employees continue to find ways to be of service to others; 1,391 employee Volunteer Time Off hours were used in service to local community organizations around the world during FY2022.

Our Diversity, Equity, & Inclusion Council and Employee Resource Groups (ERGs) planned and facilitated impactful learning and relationship-based activities for individuals and groups across the globe. ERGs also supported a math competition focused on broadening the pipeline of talent to STEM (science, technology, engineering, and math) centered disciplines, organized group volunteerism, and sponsored employee wellness activities.



# 1,391 Employee Volunteer Time Off Hours

WERE USED IN SERVICE TO LOCAL COMMUNITY ORGANIZATIONS  
AROUND THE WORLD DURING FY2022

# A FOCUS ON DIVERSITY, EQUITY, AND INCLUSION

Diversity, equity, and inclusion (DEI) together form the bedrock of effective people management within organizations and are critical to the future of the investment industry and the success of investment firms. CFA Institute became the first signatory of the voluntary DEI Code for the investment industry, which we launched in North America in February 2022, demonstrating our commitment to creating a culture where all employees can be and feel safe, valued, and respected.

We were joined as a signatory by 51 investment firms during fiscal year 2022. The original key performance indicator for the DEI Code was set at 20 by the end of fiscal year 2022. The signatories included CalSTRS, CalPERS, PGIM, SLC Management, the First Nations Financial Management Board, and several diverse owned and managed venture capital firms. The rapid pace of adoption reflected investment firms' prioritization of their work on DEI. The DEI Code was developed by volunteers from the investment industry to provide a robust framework for change for the whole sector, supported by our established codes and standards infrastructure.

In our internal work, we focused on beginning to integrate the DEI Code. We held workshops for people leaders, including the Leadership Team, and discussed the work in our townhalls. The Internal DEI Team worked with the People and Culture Team to develop informational resources and created a Culture and DEI goal for employees, for launch in 2023.

We supported our internal education and training by continuing to utilize the resources in our asynchronous learning platforms and those developed for live virtual employee events. Our framework, "The ABCs of Inclusion," encourages and empowers every individual within our global organization to become **aware**, **build** skills, and implement **change**.

In addition, we changed the name of our employee groups from business resource groups to employee resource groups, in recognition of the need to focus on their work as a source of employee support and feedback, particularly the day-to-day experience of underrepresented groups. ERG leaders consult with colleagues across divisions and across all our global offices, capturing anonymized quantitative and qualitative data to share with the Internal DEI Team and inform our priorities. They use their insights to create regular informational and social events for the whole organization, making valuable contributions to our DEI work.

The Talent Acquisition Team introduced recruitment training for people leaders. The training by Korn Ferry provided a structured approach to the selection and interview process with a focus on consistency across candidates and strategies to mitigate biases. The success of this program is shown in the 37.5% of new employees who identified as diverse during 2022.



DURING 2022

## 37.5% of New Employees Identified as Diverse



# 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.







# PROXY VOTING ROADMAP



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

# 1

## PROPOSAL 1: ELECTION OF THE CHAIR AND VICE CHAIR

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 [page 50](#) for further information.



The Board recommends a vote **FOR** the election of Mark Lazberger, CFA, as Chair and Heinz Hockmann, PhD as Vice Chair of the CFA Institute Board of Governors for fiscal year 2024.

# 2

## PROPOSAL 2: ELECTION OF THE GOVERNORS

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 [page 54](#) for further information.



The Board recommends a vote **FOR** the election of Marshall Bailey, CFA, Yimei Li, CFA, and Pamela Yang, CFA, as governors of the CFA Institute Board of Governors, each to serve a term beginning 1 September 2023 and ending 31 August 2026.

# 3

## PROPOSAL 3: RATIFICATION OF THE SELECTION OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit and Finance Committee of the Board of Governors believes that KPMG LLP should be designated to perform the fiscal year 2023 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 [page 73](#) for further information.



The Board recommends a vote **FOR** the ratification of the selection of KPMG LLP as our independent registered public accounting firm for fiscal year 2023.





# THE BOARD OF GOVERNORS

## INTRODUCTION

The Board of Governors is the highest governing authority of CFA Institute. It is responsible for overseeing the organization's vision, mission, and strategy and provides leadership through a policy-based approach. The Board is composed of 14 members, which include the President and CEO and 13 other governors who serve in a volunteer capacity. They are from eight countries: Australia, Canada, China, Germany, India, Malaysia, Nigeria, the United Kingdom, and the United States.

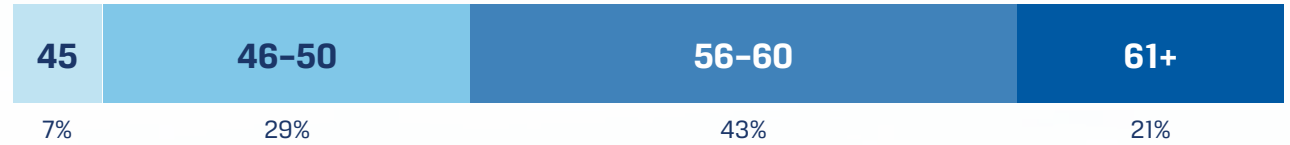




CHARTERHOLDER

11 OF 14

AVERAGE DIRECTOR AGE **56.2 YEARS**



AVERAGE DIRECTOR TENURE **3 YEARS**



GENDER

7F : 7M



INDEPENDENCE

12 OF 14

## 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.

# MEET YOUR BOARD OF GOVERNORS FOR FISCAL YEAR 2023

Name	Age	Governor Since	Region	Charterholder	Gender	Independent	Committee Memberships FY2023
 Marshall Bailey, CFA	56	2020	EMEA	✓	♂	✓	<ul style="list-style-type: none"> <li>• Risk Committee</li> </ul>
 Alexander Birkin	48	2018	EMEA		♂		<ul style="list-style-type: none"> <li>• Audit and Finance Committee</li> <li>• Executive Committee</li> <li>• Strategy SWAT Working Group</li> </ul>
 Dan Fasciano, CFA	56	2018	AMER	✓	♂	✓	<ul style="list-style-type: none"> <li>• Governance Committee</li> <li>• Investment Subcommittee</li> </ul>
 Oyebanji Fehintola, CFA	45	2022	EMEA	✓	♂	✓	<ul style="list-style-type: none"> <li>• Risk Committee</li> <li>• Society Partnership Advisory Council</li> </ul>
 Margaret Franklin, CFA	58	2019	AMER	✓	♀		<ul style="list-style-type: none"> <li>• Executive Committee</li> </ul>
 Mei Gao, CFA	50	2022	AMER/ APAC	✓	♀	✓	<ul style="list-style-type: none"> <li>• Audit and Finance Committee</li> <li>• Governance Committee</li> </ul>
 Joanne Hill, PhD	73	2021	AMER		♀	✓	<ul style="list-style-type: none"> <li>• People and Culture Committee</li> </ul>
 Heinz Hockmann, PhD	70	2021	EMEA		♂	✓	<ul style="list-style-type: none"> <li>• Governance Committee *</li> <li>• Society Partnership Advisory Council</li> </ul>
 Punita Kumar-Sinha, PhD, CFA	60	2018	APAC	✓	♀	✓	<ul style="list-style-type: none"> <li>• Investment Subcommittee *</li> <li>• People and Culture Committee</li> </ul>
 Mark Lazberger, CFA	61	2021	APAC	✓	♂	✓	<ul style="list-style-type: none"> <li>• Executive Committee *</li> <li>• People and Culture Committee</li> <li>• Nominating Committee</li> </ul>
 Yimei Li, CFA	47	2020	APAC	✓	♀	✓	<ul style="list-style-type: none"> <li>• Audit and Finance Committee</li> <li>• Strategy SWAT Working Group</li> </ul>
 Geoffrey Ng, CFA	49	2018	APAC	✓	♂	✓	<ul style="list-style-type: none"> <li>• Audit and Finance Committee *</li> <li>• Nominating Committee *</li> </ul>
 Tricia Rothschild, CFA	56	2019	AMER	✓	♀	✓	<ul style="list-style-type: none"> <li>• Executive Committee</li> <li>• Risk Committee *</li> <li>• Society Partnership Advisory Council *</li> </ul>
 Maria Wilton, CFA	58	2018	APAC	✓	♀	✓	<ul style="list-style-type: none"> <li>• People and Culture Committee *</li> <li>• Nominating Committee</li> </ul>

Please visit the CFA Institute [website](#) to read each Board of Governors member's biography.

\* Denotes the governor serves as Chair



## HOW TO CONTACT YOUR BOARD

Members and interested parties wishing to contact our Board may send a letter to our Corporate Secretary at CFA Institute, 915 East High Street, Charlottesville, Virginia 22902 or by email at [governance@cfainstitute.org](mailto:governance@cfainstitute.org).



# DIVERSITY OF SKILLS, QUALIFICATIONS, AND EXPERIENCE

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 Experience



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, Disciplinary Review Committee, Standards of Practice Council).



## CFA Program Experience

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 met all the qualifications to be awarded the CFA charter.



## 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 Representation

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



### Human Resources Experience

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



### Informational Technology Experience

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.



### 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.



### Regulatory Experience

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



### Regional Representation

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 local societies.



### Society Leadership Experience

Experience serving in a leadership role for a CFA Institute Member Society.



Audit



CFA Institute  
Volunteer



CFA  
Program



Corporate  
Governance



Education



Human  
Resources



Information  
Technology



Leadership



Not-for-  
Profit



Public Company  
Board



Regulatory



Society  
Leadership



Marshall Bailey,  
CFA



Alexander Birkin



Dan Fasciano,  
CFA



Oyebanji  
Fehintola, CFA



Margaret  
Franklin, CFA



Mei Gao, CFA



Joanne Hill,  
PhD



Heinz  
Hockmann, PhD



Punita Kumar-  
Sinha, PhD, CFA



Mark Lazberger,  
CFA



Yimei Li,  
CFA



Geoffrey Ng,  
CFA



Tricia Rothschild,  
CFA



Maria Wilton,  
CFA



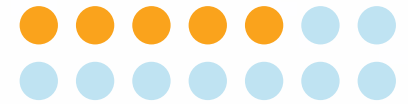




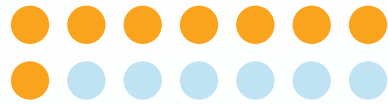
AUDIT EXPERIENCE  
**7 OF 14**



INFORMATION TECHNOLOGY  
**5 OF 14**



CFA INSTITUTE VOLUNTEER  
**8 OF 14**



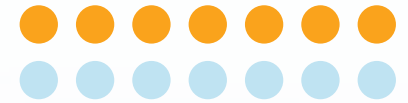
LEADERSHIP  
**12 OF 14**



CFA PROGRAM  
**2 OF 14**



NOT-FOR-PROFIT  
**7 OF 14**



CORPORATE GOVERNANCE  
**5 OF 14**



PUBLIC COMPANY BOARD  
**4 OF 14**



EDUCATION  
**4 OF 14**



REGULATORY  
**8 OF 14**

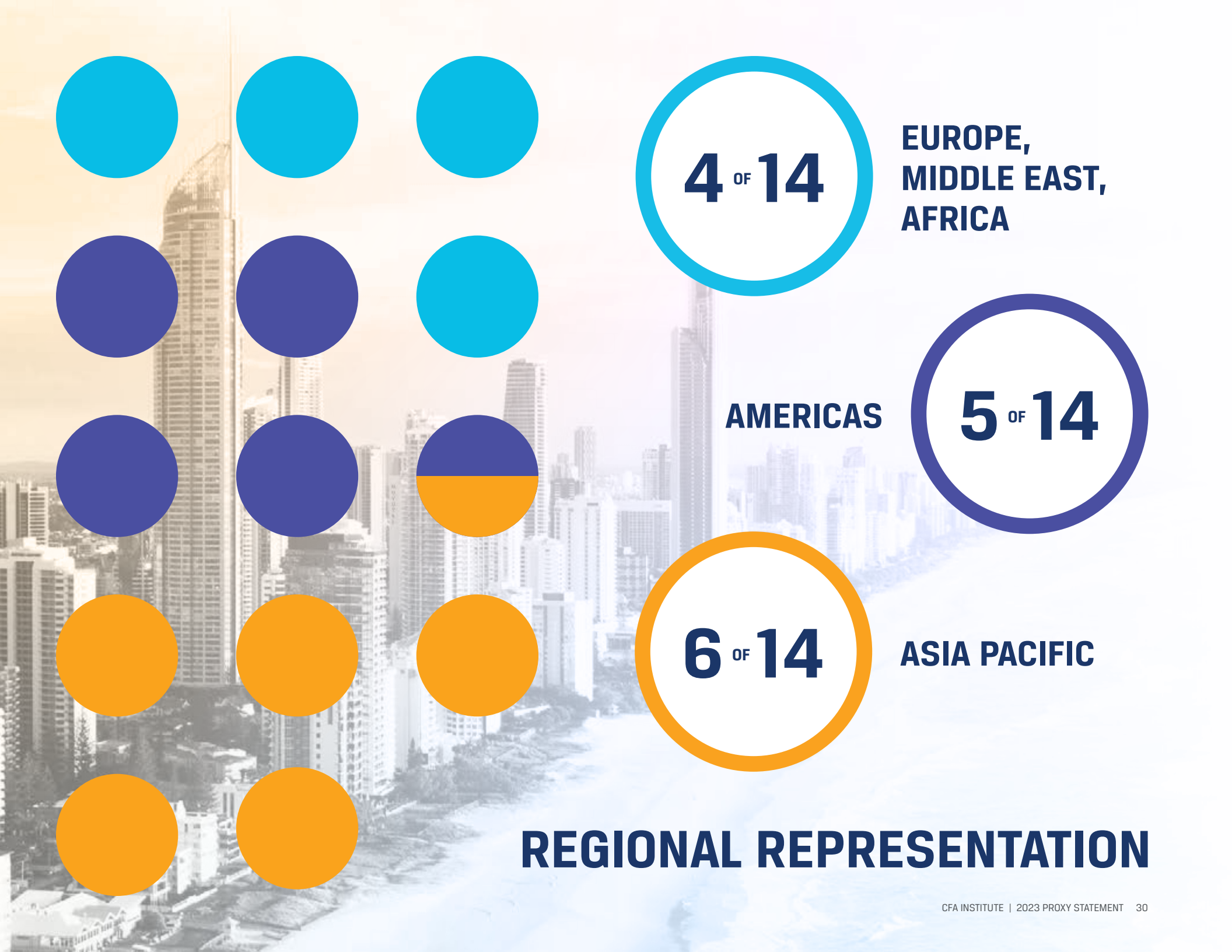


HUMAN RESOURCES  
**9 OF 14**



SOCIETY LEADERSHIP  
**5 OF 14**





**EUROPE,  
MIDDLE EAST,  
AFRICA**



**AMERICAS**



**ASIA PACIFIC**

# **REGIONAL REPRESENTATION**

# MEET THE LEADERSHIP TEAM



**Margaret Franklin, CFA**  
President & Chief Executive Officer



**Paul Andrews**  
Managing Director, Research,  
Advocacy, & Standards



**Marty Colburn**  
Chief Operating Officer



**Steven Hendry**  
Chief Financial Officer



**Sheri Littlefield**  
Managing Director, Chief Legal  
Officer & General Counsel, Corporate  
Advisory Services



**Paul Moody**  
Managing Director, Global  
Partnerships & Client Solutions



**Chris Wiese, CFA**  
Managing Director, Credentialing  
& Professional Learning



**Andrew Rome**  
Chief People Officer

Please visit the CFA Institute [website](#) to read each Leadership Team member's biography.

# CORPORATE GOVERNANCE





## 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;

Performance of our strategic, financial, and operating goals and their implementation;

Our compliance, including the integrity of our financial reporting and disclosures;

Talent management, including evaluating, compensating, and succession planning; and

Effective governance structures and processes, including Board composition and renewal.

## RISK OVERSIGHT

The Board, directly and through the Risk Committee (RC), 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. We also have a Code of Conduct Policy 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.

The Board sets an appropriate “tone at the top” to establish a culture supportive of risk management within CFA Institute. The Board also carries out and oversees internal audit, risk management and internal controls, and legal and compliance responsibilities in accordance with the organization’s Bylaws. The Board and the Leadership Team are responsible for understanding the nature and level of risks being taken by CFA Institute, as well as ensuring that appropriate risk management processes are in place to mitigate those risks.

The RC, comprising at least three independent governors, is a Board committee governed by a charter that outlines its risk management activities and oversight protocols for CFA Institute. The RC meets at least four times a year and can meet as often as deemed necessary or appropriate, in its judgment, to discharge its duties and responsibilities. Where applicable, the RC also undertakes risk management responsibilities as delegated by the Board.

The RC is required to approve the Enterprise Risk & Compliance Policy at least once annually and meet quarterly with the Head of Internal Audit, the General Counsel and Chief Legal Officer, the Global Head of Risk & Compliance, or any other member of management to enhance the opportunity for the identification and discussion of all issues warranting the RC’s attention. The RC reviews and approves the Enterprise Risk Appetite and the composition of the risk portfolio to ensure alignment with the organization’s strategic goals.

## RISK AND COMPLIANCE

Commitment to a high standard of ethical conduct is essential to our core philosophy and culture. The Board, directly and through the Risk Committee, oversees the operation of our risk and compliance framework. The role of General Counsel and Chief Legal Officer also serves as the Chief Risk and Compliance Officer for the organization and reports dually to the CEO and the Board.

This structure is further strengthened with the Global Head of Risk & Compliance reporting directly to the Risk Committee Chair, and functionally to the Chief Legal Officer and Chief Risk and Compliance Officer, to serve as the independent overarching second line of defense that promotes and fosters a culture of risk awareness across the organization and institutionalizes the three-lines-of-defense model.

Management is responsible for the day-to-day risk assessment and management of the organization’s risks and compliance with laws, regulations, and internal policies and procedures. The Board, directly and through the Risk Committee, has responsibility for the oversight of the risk and compliance function and for determining the adequacy of the risk and compliance framework and guidelines, as well as the policies and processes used by management to monitor and mitigate risks.

The Global Risk and Compliance function supports the CFA Institute Board of Governors and the Leadership Team in their commitment to manage risks in alignment with the corporate strategy, Risk Appetite, Enterprise Risk & Compliance Policy, and Code of Conduct Benchmark. The CFA Institute Code of Conduct applies to all our employees as well as to our contingent workers and our volunteers. Our policies and organizational documents, including the Code of Conduct referred to above, can be found [here](#) on our website.

The risk and compliance oversight activities of CFA Institute help develop the discipline, culture, and control structure the organization needs to proactively improve its risk and compliance management capabilities in a changing business environment. The Risk and Compliance function enables CFA Institute to achieve its strategic goals and objectives in a risk-informed manner and is most effective when applied in strategy setting across the organization. The Risk and Compliance function also partners closely with the internal audit, legal, and governance teams to ensure an integrated risk and compliance management approach is pursued for the organization.

## **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 RC, has primary responsibility for overseeing the risk management program of CFA Institute relating to data privacy and information security, which includes cybersecurity. The RC 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 data privacy matters at CFA Institute.

The Information Security Office, headed by the Chief Information Security Officer, is responsible for the organization's enforcement of data privacy controls and the information security program, which includes a risk-based cybersecurity strategy, architecture, policies, standards, and processes. The CFA Institute Global Data Privacy Officer advises the business on data 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 reviewed and approved by the Board. Management is responsible for implementing the strategic plan, and the Board receives reports on the plan's implementation at every Board meeting, as well as in between meetings. This affords both the Board and management the opportunity to assess whether the plan is being implemented effectively and whether changes in the plan or its implementation may be desirable.

## **TALENT MANAGEMENT AND SUCCESSION PLANNING**

Organizations are still stabilizing following the Great Attrition. Those returning to the labor market are demanding greater compensation, flexibility, development opportunities, and meaningful purpose at work. Aligning talent to strategy remains a marker of the most competitive companies, yet employers must prioritize upskilling and workforce planning efforts to address current and future human capital needs. Accordingly, the Board remains engaged in the most critical structures and capabilities to address talent management in alignment with culture.

Annually, the Board reviews the company's talent strategy to ensure the organization is focused on the development and retention of key talent. Part of the Board's succession oversight is to ensure that potential successors in key roles are supported by robust individual development plans that are responsive to organizational capabilities, leadership capabilities, and future-of-work competencies. Board members engage with leaders and employees to deepen their knowledge of the global workforce and build relationships with key talent that instill trust.

Evolving culture is a priority focus for the Board. Board members advise on the key behaviors, values, and ways of working needed to sustain a healthy and productive working environment that, among other outcomes, attracts and retains top talent. This spans the talent journey from attraction and hiring to onboarding, performance management, learning and growth, rewards and recognition, and continuous measurement to ensure a cohesive strategy that is integrated with Diversity, Equity, and Inclusion (DEI) Code principles.

Finally, the Board brings an outside-in perspective to strengthen key decisions and support the organization, including workforce planning, capability building, and the leadership development needed to facilitate the behavioral adjustments, experiences, and mindset shifts required to transform the culture and lead the business into the future.

## GOVERNOR ORIENTATION

All new governors participate in our orientation program to ensure they are well-informed and have the resources they need to excel in their role of oversight and fulfil their duty of care. Online orientation modules are easily accessible and offer both new and more senior governors an in-depth overview of what it means to serve on the CFA Institute Board of Governors. The orientation familiarizes governors with the company's identity (i.e., mission, vision, and values) and history, business and strategic plans, financial performance, key staff members, corporate governance practices, and other pertinent policies and programs. While some introductory information is shared during the nominations process, a more thorough orientation begins after the Annual Meeting of Members. Newly elected governors are then invited to attend any remaining Board meetings for the fiscal year to introduce them to as many people and as much content as possible prior to the start of their terms.



## GOVERNANCE SELF-ASSESSMENT

The Board is responsible for overseeing the governance structures and practices of CFA Institute, striving to operate with a high degree of effectiveness and to create a dynamic boardroom environment for sharing independent thought and engaging in intelligent conversation on matters critical to the organization's mission. As part of this oversight responsibility, the Board is dedicated to conducting an annual Board and committee self-evaluation process around our corporate governance practices as well as individual performance to identify areas of improvement. This comprehensive approach aims to adopt best practices that impact our leadership structure, Board composition, nominations process and recruitment, culture, governor engagement, and accountability to our constituents.

The Governance Committee (GC) oversees the process for evaluating the performance of the Board, committees, and individual governors and prepares a report to the Board summarizing the results of such annual evaluations. This report is then used to draw meaningful conclusions and to develop action plans for future enhancements. Lastly, the GC determines how often it is appropriate for the evaluation to be conducted by an independent consultant.

Additional information on the Board's roles and responsibilities appears in the [Board Committees](#) section.

## PUBLIC DISCLOSURE PHILOSOPHY

CFA Institute, a 501(c)6 organization incorporated in the state of Virginia, and its Board of Governors are committed to upholding a high standard of governance in the US not-for-profit sector and aspire to align the organization's public disclosure practices with US public company standards wherever practical and reasonable. We believe a philosophy of candor and transparency is the key to facilitating a relationship of trust with our constituents and the public at large. The [Governance](#) and [Annual Reports and 990s](#) pages on our website will provide you with ease of access to our disclosure documents and insight into our corporate governance infrastructure. You will find information on our Annual Meeting of Members (including the 12 July 2023 recording soon after the session concludes), the Board of Governors, Board Committees, and the Leadership Team as well as a repository of our proxy statements, annual reports, Form 990s, and governing policies, practices, and codes of conduct. If you have any questions or want more information, please email our Corporate Secretary at [governance@cfainstitute.org](mailto:governance@cfainstitute.org).



# BOARD STRUCTURE AND PROCESS

## BOARD LEADERSHIP STRUCTURE AND RESPONSIBILITIES

Our Chair and Vice Chair are independent governors elected by CFA Institute Regular Members and serve essential roles on the Board. The President and CEO and Alexander Birkin are the only governors on our Board who are not independent. The remaining 12 governors are independent governors elected by our members.

Board leadership currently consists of a Chair and Vice Chair. Each position has a one-year appointment that may be renewed annually up to a maximum of 6 one-year terms for the Chair and 2 one-year terms for the Vice Chair. This structure is designed to accommodate the sharing and allocation of responsibilities while striving for continuity of Board leadership and engagement.

### President & CEO

- Executive Committee Member

### Chair

- Executive Committee Chair
- People and Culture Committee Member
- Nominating Committee Member

### Vice Chair

- Executive Committee Member
- Risk Committee Chair
- Society Partnership Advisory Council Chair



## Chair Responsibilities

- Adhere to all duties of a governor as detailed in the Duties and Responsibilities of the Board of Governors;
- Preside at meetings of the members of CFA Institute, Board, and Executive Committee;
- Review and approve the Board and Executive Committee schedules;
- Set the agenda, with input from the Board and CEO, for all Board meetings;
- Review and provide input into information sent to the Board;
- Communicate with the Board to keep all governors up-to-date on material developments;
- Exhibit leadership capacities to maintain the composition, business, efficiency, and culture as the Board may determine;
- Liaise with CFA Institute management on, and participate in, the orientation and training of new and continuing governors;
- Lead the process for developing recommendations for appointments of Board committee positions subject to Board approval;
- Develop an effective working relationship with the CEO and Leadership Team;
- Regularly meet with the CEO and Chief Legal Officer and serve as a liaison among the Board, the CEO, and other members of the Leadership Team of CFA Institute;
- Review the goals and development plan for the CEO, provide ongoing feedback to the CEO throughout the year, lead/complete the Board's year-end performance review process for the CEO, and assist with the Board's consideration of CEO compensation;
- Where appropriate, be available for external engagement, consultation, and communication to maintain positive relationships with major stakeholders at the direction of the Board and in agreement with the CEO;
- Provide input on the evaluation of Board members for feedback to the nomination process;
- Delegate the Chair's authority, duties, and responsibilities to the Vice Chair (or any other person) as the Chair deems appropriate; and
- Cooperate in the transition to the next Chair of the CFA Institute Board of Governors.







## 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 Committee;
- Operate closely with the 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;
- Liaise with CFA Institute management on, and participate in, the orientation and training of new and incoming Governors;
- Serve in an ambassadorial role for the organization.

## BOARD COMMITTEES

The Board utilizes the following committees and council to assist with the fulfillment of its oversight functions:

- Audit and Finance Committee
- Executive Committee
- Governance Committee
- Investment Subcommittee
- Nominating Committee
- People and Culture Committee
- Risk Committee
- Society Partnership Advisory Council



## FISCAL YEAR 2023 COMMITTEES

The current composition and principal responsibilities of each committee are as follows:

### Audit and Finance Committee

#### Purpose

- Oversee the financial and audit systems of CFA Institute for financial adequacy and integrity.
- Oversee the process for monitoring compliance as it relates to financial integrity.
- Evaluate the independence and qualifications of the independent auditor.
- Oversee the Investment Subcommittee's duties and responsibilities with the financial reserves of CFA Institute.

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

#### Board Members

- Alexander Birkin
- Mei Gao, CFA
- Yimei Li, CFA
- Geoffrey Ng, CFA (Chair)

### Investment Subcommittee

#### Purpose

- Develop and maintain the Investment Policy Statement and all other documents governing the investment and overall management of the reserves.
- Review annually the Board-approved target for reserve levels for potential impact to the Investment Policy Statement or Asset Allocation Policy.
- Gather relevant input from the Board regarding risk tolerance and key reserves portfolio characteristics at least once every three years.
- Evaluate scenario analyses prepared by CFA Institute staff and any third-party consultant.
- Evaluate whether there are any necessary or desirable changes to be made to the Investment Policy Statement, Asset Allocation Policy, or other applicable governing documents.
- Report to the Audit and Finance Committee regarding the Subcommittee's duties and responsibilities with the financial reserves of CFA Institute.

The [Subcommittee Charter](#) is posted to our website.



#### Board Members

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

#### Non-Board Members

- Leilani Hall, CFA, CIPM
- Karina Litvack
- Rhodri Preece, CFA
- Shirley Ogden, CFA
- Ming Shu, CFA

## Executive Committee

### Purpose

- Act on behalf of the Board between meetings and to respond to urgent situations, pursuant to the CFA Institute Bylaws and subject to policies established by the Board.
- Have the General Counsel and Chief Legal Officer report directly to the Committee through the Committee Chair and to the President and CEO of CFA Institute.
- Meet prior to each Board meeting to discuss the agenda and any other related matters as deemed necessary or appropriate.
- Provide guidance to and oversight of the other committees of the Board.
- Provide oversight of and accountability to Board-related budget items and expenses.

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

### Board Members

- Alexander Birkin
- Margaret Franklin, CFA
- Mark Lazberger, CFA (Chair)
- Tricia Rothschild, CFA

## Governance Committee

### Purpose

- Oversee the Board, committee, and governor evaluation process.
- Develop, review, and recommend amendments to the organization's corporate governance practices, processes, and structures.
- Consult with the Board Chair as to Board committee leadership and composition.
- Evaluate the performance of the Board Chair and provide performance feedback.
- Provide oversight of the governance policies relating to its engagement with members.

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

### Board Members

- Dan Fasciano, CFA
- Mei Gao, CFA
- Heinz Hockmann, PhD (Chair)

## Nominating Committee

### Purpose

- Carry out the responsibilities delegated by the Board relating to processes and procedures for governor nominations in accordance with and subject to the Bylaws.
- Identify, vet, and nominate qualified candidates for governor and officer positions of CFA Institute, in accordance with and subject to the Bylaws.
- Strive to nominate the very best nominees with the appropriate skill sets and diversity of characteristics appropriate to generate a properly balanced Board.
- Support the leadership position of CFA Institute in the investment profession by recognizing individuals whose achievements, examples, or contributions have helped raise the standards of education, integrity, and professional excellence.

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

### Board Members

- Mark Lazberger, CFA
- Geoffrey Ng, CFA (Chair)
- Maria Wilton, CFA

### Non-Board Members

- Greg Filbeck, CFA
- Mahmoud Nawar, CFA
- Nivine Richie, CFA

## People and Culture Committee

### Purpose

- Review output of the annual talent review to ensure a robust succession plan and high potential slate.
- Provide oversight of compensation policies, programs, and related plans, with an emphasis on those pertaining to the executive officers.
- Review the annual CEO goals and performance against those goals, and recommend compensation of the President and CEO to the Board.
- Review compensation recommendations for all key executives named in the 990 filing.
- Review annual development plans of executive officers, and discuss retention issues for this group and other critical talent in the organization.
- Discuss key activities focused on evolving employee engagement and organizational culture.
- Discuss any people-related issues that may create risk for the organization, and escalate matters to the Risk Committee as needed.

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

### Board Members

- Joanne Hill, PhD
- Punita Kumar-Sinha, PhD, CFA
- Mark Lazberger, CFA
- Maria Wilton, CFA (Chair)

## Risk Committee

### Purpose

- Evaluate, monitor, and escalate risk matters to the Board as needed.
- Oversee internal audit, including the review and approval of the internal auditor and accompanying work plan to address the priority concerns raised by the committee.
- Oversee risk management and internal controls, including the review of the risk governance framework, the risk appetite statement, and the guidelines, policies, and processes for monitoring and mitigating risks.
- Oversee legal and compliance to ensure there are no unjustified restrictions or limitations on the compliance or legal functions and that they are sufficiently resourced.
- Oversee the work of the Disciplinary Review Committee.

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

### Board Members

- Marshall Bailey, CFA
- Oyebanji Fehintola, CFA
- Tricia Rothschild, CFA (Chair)

## Society Partnership Advisory Council

### Purpose

- Facilitate the alignment between CFA Institute and local societies that is critical in advancing our mission globally and delivering value to our members.
- Establish a unified voice on local society related matters to represent local society interests to the Board.
- Ensure continued strength in the relationship between CFA Institute, the Presidents Council, and local societies.
- Provide feedback and guidance on local society business to the Board, Presidents Council, CFA Institute staff, and local societies.

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

### Board Members

- Oyebanji Fehintola, CFA
- Heinz Hockmann, PhD
- Tricia Rothschild, CFA (Co-Chair)

### Non-Board Members

- Jennifer Garbowicz, CFA, CIPM (Co-Chair)
- Pieter van Putten, CFA
- Jason Lee, CFA
- John Carter, CFA
- Peter Varga, CFA
- Randi Tolber, CFA

# FISCAL YEAR 2022 BOARD AND COMMITTEE MEETINGS HELD AND MEMBER ATTENDANCE

In fiscal year 2022, the Board conducted 6 required sessions out of 7 total meetings, all of which included video conference connections due to the continuing impact of the global pandemic. In total, there were four quarterly Board meetings, with one hybrid session, during fiscal year 2022 that ran for approximately 10 hours each and three video conference calls that ran for approximately one hour each.

In addition, governors attended their respective committee meetings, with each lasting for approximately one to two hours.

The graphic on this page shows the composition and the number of meetings held by the Board and each committee in fiscal year 2022. It's important to note that there was one Board session related to setting the minimum passing score (MPS) for the CFA® Program and CIPM® Program. Given that governors who are non-charterholders are ineligible to vote on MPS matters, they are not required to attend these discussions. To ensure an equitable measure of individual governor attendance, we have therefore omitted that meeting from the attendance assessment.

	Board Meetings	Total Attendance		Board Meetings	Total Attendance
<b>MARSHALL BAILEY</b>	100%	100%	<b>MARK LAZBERGER</b> (Chair)	100%	89%
• 12 Committee Meetings			• 11 Committee Meetings		
<b>ALEXANDER BIRKIN</b>	83%	91%	<b>YIMEI LI</b>	100%	91%
• 5 Committee Meetings			• 4 Committee Meetings		
<b>DAN FASCIANO</b>	100%	100%	<b>KARINA LITVACK</b>	83%	94%
• 12 Committee Meetings			• 10 Committee Meetings		
<b>MARGARET FRANKLIN</b> (CEO)	100%	100%	<b>GEOFFREY NG</b>	100%	94%
• 9 Committee Meetings			• 11 Committee Meetings		
<b>JOANNE HILL</b>	100%	100%	<b>DIANE NORDIN</b>	100%	100%
• 5 Committee Meetings			• 21 Committee Meetings		
<b>HEINZ HOCKMANN</b>	100%	100%	<b>TRICIA ROTHSCHILD</b> (Vice Chair)	100%	100%
• 5 Committee Meetings			• 21 Committee Meetings		
<b>PUNITA KUMAR-SINHA</b>	100%	100%	<b>MARIA WILTON</b>	100%	100%
• 10 Committee Meetings			• 5 Committee Meetings		



# BOARD EXPENSES

CFA Institute governors volunteer their service to the Board and therefore do not receive compensation. We have an exceptionally engaged and dedicated Board. Not counting the time spent traveling on behalf of CFA Institute, the Board Chair commits approximately 800 hours per year and each governor commits approximately 200-250 hours per year to the organization. In addition to their role of oversight, which our governors consider paramount, they also engage in outreach activities to cultivate valuable relationships with our members and other key constituents around the globe. These include charter award ceremonies, society leadership conferences, and Research Challenge events, among many others.

It's important to note that due to the global health crisis, the Board largely halted its in-person meetings and outreach activities again in fiscal year 2022, which resulted in reduced expenses. The governors instead continued to capitalise on opportunities to engage virtually and endeavored to stay connected to one another and to the organization's constituents as much as possible during the pandemic. The information on the right side of this page reflects the amounts paid in US dollars by CFA Institute in fiscal year 2022 related to governors attending Board, committee, and council meetings and engaging in meaningful outreach efforts on behalf of the organization.



TRANSPORTATION

**\$94,137**

LODGING AND MEALS

**\$121,331**



TOTAL EXPENSES

**\$215,468**



# SELECTION OF GOVERNORS

## GOVERNOR RECRUITMENT PROCESS

### 1 CFA Institute Stakeholders

- Solicited for recommendations

### 2 Nominating Committee

- Review recommendations from stakeholders
- Discuss candidates' qualifications, conduct candidate due diligence, and interview short list of candidates
- Recommend candidates to the Board

### 3 Board of Governors

- Review recommended nominees submitted by the Nominating Committee and approve the election slate

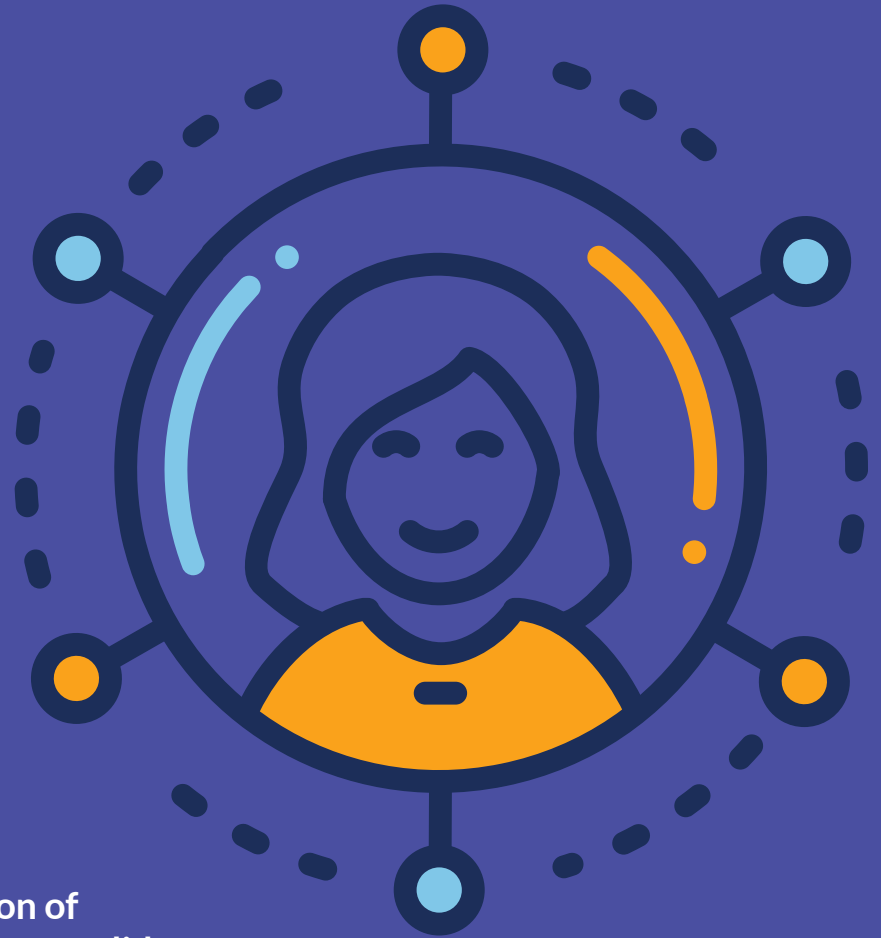
### 4 Regular Members

- Vote on the election slate at the Annual Meeting of Members

### 5 Results

We encourage you to contact us with questions or comments by emailing [governance@cfainstitute.org](mailto:governance@cfainstitute.org).

Members can recommend candidates for governor to the NC by following the procedures posted [here](#) on our website. Nominations are solicited from the membership to identify individuals to serve on the Board based on the governor selection criteria established by the Board. In fiscal year 2023, the priority skills and qualifications identified by the Board for the upcoming cycle were significant not-for-profit governance experience, association education leadership/ experience, industry leadership, CFA Institute and society expertise, India knowledge and experience, and senior human resources experience. Each governor is elected by the membership of CFA Institute for a three-year term that runs from 1 September to 31 August.



### Selection of governor candidates is based on meaningful and comprehensive criteria:

- Governor selection criteria established by the Board
- Priority skill sets identified by the Board for the upcoming cycle
- Commitment to CFA Institute and participation in its activities
- The degree to which a nominee can represent the diversity of our profession



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 qualities below at the highest level.



## 1 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
- employs strategic foresight
- communicates strategic insight to different environments

## 2 Champion of CFA Institute

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

## 3 Cultural Sensitivity

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

## 4 Interpersonal Communication

- excels in building relationships
- gains trust and support from others
- possesses diplomacy and tact
- listens and adjusts to others' input
- effectively balances speaking and listening

## 5 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

In addition to the above competencies required of all governors, the diversity and qualifications listed in the [Diversity of Skills, Qualifications, and Experience](#) section display the holistic view of the important qualities that all governors bring to the Board in fiscal year 2023. 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 combination to lead the organization.

# BOARD PROPOSALS



# Voting Matters

# 1

## PROPOSAL 1: ELECTION OF CHAIR AND VICE CHAIR













### ELECTION

At the Annual Meeting of Members, members will be asked to vote on the election of Mark Lazberger, CFA, as Chair and Heinz Hockmann, as Vice Chair of CFA Institute for a term beginning on 1 September 2023 and ending on 31 August 2024, 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.

	Mark Lazberger, CFA	Heinz Hockmann
 Audit	✓	✓
 CFA Institute Volunteer	✓	
 CFA Program		
 Corporate Governance		✓
 Education		✓
 Human Resources	✓	✓
 Information Technology		
 Leadership	✓	✓
 Not-for-Profit	✓	
 Public Company Board		✓
 Regulatory		✓
 Society Leadership	✓	



## CHAIR NOMINEE

# MARK LAZBERGER, CFA

### Current Position

- Chairman, Omnia Capital Partners
- Non-Executive Director, Yarra Capital Management
- Non-Executive Director, Fisher Funds Management

- Governance Working Group (FY2016)
- People and Culture Committee (FY2022)
- Planning Committee (FY2016)

### CFA Institute Volunteer Experience

- Member, CFA Institute Board of Governors (FY2012–FY2018)
- Member, Future of Finance Advisory Council
- Recipient, CFA Institute Distinguished Service Award, in Honor of Alfred C. “Pete” Morley

### Society Volunteer Experience

- Founding President and Member, CFA Society Sydney
- Past Board Member, CFA Society Japan
- Past Member, Strategic Advisory Council, CFA Society Sydney

### Current Positions on Other Boards

- Director, Children’s Cancer Institute

### Education

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

### Prior Positions

- CEO, Colonial First State Global Asset Management and First State Investments (now First Sentier Investors)
- President, International State Street Global Advisors
- President and CEO, State Street Japan, and Head, International Businesses, State Street Global Advisors

### Prior Board Committee Service

- Audit and Risk Committee (FY2013, FY2014)
- Board Effectiveness Working Group (FY2013)
- Compensation Committee (FY2017)
- Compensation and Governance Committee (FY2016)
- Executive Committee (FY2022\*)
- External Relationship and Volunteer Involvement Committee (FY2015)

**GOVERNOR SINCE**  
2021

**COUNTRY**  
Australia

**TERM EXPIRES**  
2023

**REGION**  
APAC

**AGE**  
61

**SOCIETY MEMBERSHIP**  
Sydney

#### EXPERIENCE

Audit	✓
CFA Institute Volunteer	✓
CFA Program	
Corporate Governance	
Education	
Human Resources	✓
Information Technology	
Leadership	✓
Not-for-Profit	✓
Public Company Board	
Regulatory	
Society Leadership	✓



CHARTERHOLDER



INDEPENDENT



\* Denotes the governor served as Chair.





## VICE CHAIR NOMINEE

# HEINZ HOCKMANN, PHD

### Current Position

- Member, Advisory Council, Lovell Minnick Partners LLC
- Regular Lecturer, Justus-Liebig University Giessen, TU Chemnitz, and Smith College
- Non-Executive Chairman, Silk Invest Limited

### Education

- Undergraduate and Graduate Studies in Economics and Business Administration, University of Bochum
- Master of Economics and Business Administration, University of Bochum
- PhD in Business Finance, University of Bochum

### Prior Positions

- CEO, Fortis Investment Management S.A.
- Chief Executive, Westfalenbank AG
- Member, Board of Managing Directors, Commerzbank AG

### Prior Board Committee Service

- Governance Committee (FY2022)

### Current Positions on Other Boards

- Chairman, Supervisory Board, Ökoworld AG
- Deputy Chairman, Supervisory Board, WWK Lebensversicherung VVaG
- Member, Board of Directors, WWK Allgemeine Versicherung AG
- Chairman, Supervisory Board, GET Capital AG
- Chairman, Investment Committee, SANAD Fund for MSME

**GOVERNOR SINCE**  
2021

**COUNTRY**  
Germany

**TERM EXPIRES**  
2024

**REGION**  
EMEA

**AGE**  
70

#### EXPERIENCE

Audit	✓
CFA Institute Volunteer	
CFA Program	
Corporate Governance	✓
Education	✓
Human Resources	✓
Information Technology	
Leadership	✓
Not-for-Profit	
Public Company Board	✓
Regulatory	✓
Society Leadership	



INDEPENDENT



## A NOTE FROM HEINZ HOCKMANN, PHD

I am honored to be nominated as Vice Chair for the CFA Institute Board of Governors. The last two years at the Board have been both exciting and challenging. I am really looking forward to helping the organization on its journey to develop and implement the strategic plan. This means an ongoing focus on modernizing the core CFA program, diversifying through additional education programs, and implementing the research, advocacy, and standards plan.

CFA Institute has gone through a lot of changes during the past few years. This was not only due to disruptions by the COVID pandemic and the war in Ukraine, but also to technological developments at a speed never observed before.

An important feature is the cooperation between CFA Institute, CFA Societies worldwide, and members. From the beginning, I have put a focus on these relationships and will continue to do so through committee work as well as direct engagement.

I have been a member of boards for private and public companies of varying sizes and on all major continents. Understanding different cultures, mentalities, and ways of decision-making are all within my experience. I believe this background is important in a board as diverse as the CFA Institute Board of Governors. My intention is to bring to CFA Institute the highest standards of modern corporate governance.

Working on the Board of Governors during the past two years can be characterized by open and honest discussions, respect for differing opinions and the true belief that we can make the organization ready for the future. My goal is to contribute to the changes ahead of us without neglecting the credentials from the past.

# Voting Matters

## 2

### PROPOSAL 2: ELECTION OF THE GOVERNORS

#### ELECTION

At the Annual Meeting of Members, members will be asked to vote on the election of Marshall Bailey, CFA, Yimei Li, CFA, and Pamela Yang, CFA, as governors, each to serve a three-year term beginning 1 September 2023 and ending 31 August 2026. The Board, on the recommendation of the Nominating Committee, has recruited and 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, possess the requisite skills, qualities, and experiences 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 three nominees for governor.



# FIRST-TERM GOVERNOR NOMINEE

## PAMELA YANG, CFA

**GOVERNOR SINCE**  
2023

**GOVERNOR SINCE**  
2023

**TERM EXPIRES**  
2026

**AGE**  
57

**COUNTRY**  
United States

**REGION**  
AMER

**SOCIETY MEMBERSHIP**  
Boston

### EXPERIENCE

Audit	✓
CFA Institute Volunteer	✓
CFA Program	✓
Corporate Governance	✓
Education	✓
Human Resources	✓
Information Technology	✓
Leadership	✓
Not-for-Profit	✓
Public Company Board	
Regulatory	
Society Leadership	✓



CHARTERHOLDER



INDEPENDENT



### Current Position

- Managing Director, Chief Operating Officer, The Bulfinch Companies, Inc.

### Prior Positions

- Managing Director, Head of Charitable Asset Management, State Street Global Advisors (SSGA)
- Senior Vice President, Head of Trust Investment and Operation, Harvard Management Company
- Senior Associate of Assurance, PwC

### CFA Institute Volunteer Experience

- DRC Chair 2018-202
- DRC Executive Team 2016-2018
- Grader for 10 years, Captain
- Council of Examiners
- Standards of Practice Advisory Committee

### Society Volunteer Experience

- Chair, CFA Society Boston
- Vice Chair, CFA Society Boston
- Treasurer, CFA Society Boston
- Chair of Audit Committee, CFA Society Boston

### Current Positions on Other Boards

- Board of Trustees, Boston Ballet, Inc.
- Executive Committee, The Boston Economic Club

### Education

- MBA and MS in Accounting, Northeastern University
- PhD studies (degree not obtained) in French Literature, New York University
- MA in French Literature, University of Cincinnati
- BA in French Literature, Beijing Foreign Studies University



## A NOTE FROM PAMELA YANG, CFA

I am incredibly honored and humbled to be nominated to join the Board of Governors and look forward to serving this beloved organization in another capacity.

I started my career at PricewaterhouseCoopers as an auditor. I earned my charter in 2003 while I was working at Harvard Management Company which manages Harvard University's endowment. Earning the charter allowed me to shift my career path to be more investment oriented. After 18 years at HMC, in 2018, I joined State Street Global Advisors as Managing Director, Head of Charitable Assets, overseeing endowment and charitable assets for over 200 non-profit clients. In 2021, I returned to the asset owner space and joined the Bulfinch Companies, Inc. as Chief Operating Officer. Bulfinch is a commercial real estate investment firm focusing on the life science sector with a long history of close to 9 decades.

I served on the board of the Boston Security Analysts Society (now CFA Society Boston) from 2010 to 2018 and became Chair in 2014. During my tenure, Boston Society received the Society Excellence Award, and I was named Volunteer of

the Year by the CFA Institute in 2015. While serving on the society board, I also volunteered in grading, writing curriculum and Advocacy Committee. From 2016 to 2018, I was the Executive Editor of "In Practice" section of Financial Analysts Journal. This provided me an opportunity to focus on new research and investment trends. Throughout my career, one guiding principle is to always do the right thing. In 2014, I joined the Disciplinary Review Committee and served as the Chair from 2018 to 2020. I cherish this experience as DRC's mission is critical to protect the integrity of CFA Institute's membership and designation.

Investment management is an ever-changing industry with constant new themes and trends. The industry is facing enormous challenges amidst not just market conditions and industry consolidation, but also rapid development in Artificial Intelligence and fee compression. It is imperative that the Institute stay ahead of the curve to maintain the gold standard. My goal as a Governor is to ensure that the Institute continues to innovate as a leading voice to shape the future.



## SECOND-TERM GOVERNOR NOMINEE

# MARSHALL BAILEY, CFA

### Current Position

- Non-Executive Chairman, MUFG Securities EMEA plc
- Non-Executive Chair, Financial Services Compensation Scheme (FSCS)
- Chairman, Aon UK Ltd

### Education

- Bachelor of Arts, University of Winnipeg
- Master of Arts, Graduate Institute of International Affairs
- Chartered Financial Analyst, CFA Institute
- Diploma, Non-Executive Directors' Course, FT/Pearson

### Prior Positions

- Representative & Non-Executive Board Director, National Commercial Bank – Jeddah Public Investment Fund
- Non-Executive Chairman, CIBC Markets plc
- Non-Executive Director, London Stock Exchange Group

### Prior Board Committee Service

- Risk Committee (FY2021, FY2022)
- Society Partnership Advisory Council (FY2021, FY2022)

### Society Volunteer Experience

- Board Member, CFA Society United Kingdom

### Current Positions on Other Boards

- Member, CFA Institute Research Foundation Board of Trustees

<b>GOVERNOR SINCE</b>	<b>COUNTRY</b>
2020	United Kingdom
<b>TERM EXPIRES</b>	<b>REGION</b>
2023	EMEA
<b>AGE</b>	<b>SOCIETY MEMBERSHIP</b>
56	United Kingdom

#### EXPERIENCE

Audit	
CFA Institute Volunteer	✓
CFA Program	
Corporate Governance	✓
Education	
Human Resources	
Information Technology	
Leadership	✓
Not-for-Profit	✓
Public Company Board	✓
Regulatory	✓
Society Leadership	



CHARTERHOLDER



INDEPENDENT





## A NOTE FROM MARSHALL BAILEY, CFA

I am deeply honoured and grateful to be remaining on the CFA Institute Board of Governors for a second term. The Institute plays an enormously important role in global finance, and the board and senior executive leadership team is undertaking a strategically significant task, repositioning the Institute for the future. 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. 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, yet we have much more we can do.

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.



## SECOND-TERM GOVERNOR NOMINEE

# YIMEI LI, CFA

<b>GOVERNOR SINCE</b> 2020	<b>COUNTRY</b> China
<b>TERM EXPIRES</b> 2023	<b>REGION</b> APAC
<b>AGE</b> 47	<b>SOCIETY MEMBERSHIP</b> Beijing

### EXPERIENCE

- Audit
- CFA Institute Volunteer ✓
- CFA Program
- Corporate Governance
- Education
- Human Resources ✓
- Information Technology ✓
- Leadership ✓
- Not-for-Profit ✓
- Public Company Board
- Regulatory ✓
- Society Leadership



### Current Position

- CEO, China Asset Management Co. Ltd.

### Prior Positions

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

### Prior Board Committee Service

- Audit and Finance Committee (FY2021, FY2022)
- Strategy SWAT Working Group (FY2021, FY2022)

### Current Positions on Other Boards

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

### Education

- Master in Public Policy, International Finance, Harvard Kennedy School
- Bachelor of Economics, Marketing, Renmin University of China
- Master in Economics, Renmin University of China
- Chartered Financial Analyst, CFA Institute



## A NOTE FROM YIMEI LI, CFA

I am greatly honored to be nominated for the second term as a member of the CFA Institute Board of Governors. During my first term as a Governor, I felt really lucky to work with a group of devoted and excellent professionals in not only helping the Institute through the unprecedented pandemic environment but more importantly steering the modernization of the Institute in better empowering the financial industry worldwide. I am very grateful to have the opportunity to be part of this journey and will continue to endeavor with all my heart during the second term.

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 ChinaAMC, one of the largest mutual fund companies in China. We have more than 200 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 more than 20 years of relevant professional experiences, 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 2024 and 2025. Please visit the CFA Institute [website](#) to read each governor's biography.





# CONTINUING GOVERNOR ALEXANDER BIRKIN

## Current Position

- Managing Partner, EMEIA Financial Services Consulting Leader, Ernst & Young

## Prior Positions

- Partner, Global Wealth and Asset Management Consulting Leader, Ernst & Young
- Partner, EMEIA FSO Wealth and Asset Management Industry Leader, Ernst & Young
- Partner, EMEIA FSO Wealth and Asset Management Consulting Leader, Ernst & Young

## Prior Board Committee Service

- Audit and Finance Committee (FY2021, FY2022)
- Nominating Committee (FY2019, FY2020)
- Strategy SWAT Working Group (FY2021\*, FY2022\*)

## Current Positions on Other Boards

- Board Member, Ernst & Young Global Wealth and Asset Management
- Regional Board Member, Ernst & Young EMEIA Financial Services Office

## Education

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

### GOVERNOR SINCE

2018

### COUNTRY

United Kingdom

### TERM EXPIRES

2024

### REGION

EMEA

### AGE

48

### EXPERIENCE

Audit

CFA Institute Volunteer

CFA Program

Corporate Governance

Education

Human Resources

Information Technology ✓

Leadership ✓

Not-for-Profit

Public Company Board

Regulatory ✓

Society Leadership



\* Denotes the governor served as Chair.



# CONTINUING GOVERNOR OYEBANJI FEHINTOLA, CFA

**GOVERNOR SINCE**  
2022

**COUNTRY**  
Nigeria

**TERM EXPIRES**  
2025

**REGION**  
EMEA

**AGE**  
45

**SOCIETY MEMBERSHIP**  
Nigeria

## EXPERIENCE

Audit	✓
CFA Institute Volunteer	
CFA Program	✓
Corporate Governance	✓
Education	✓
Human Resources	✓
Information Technology	
Leadership	
Not-for-Profit	✓
Public Company Board	
Regulatory	✓
Society Leadership	✓



## Current Position

- Senior Director, Africa Finance Corporation

## Prior Positions

- Fixed Income, Currencies & Commodities Citibank Nigeria
- Tax & Business Advisory, Arthur Andersen
- Financial Control, Merchant Banking Corporation

## Society Volunteer Experience

- Ex-Officio Board Member, CFA Society Nigeria
- GIPS® Country Sponsor, CFA Society Nigeria
- Past President, CFA Society Nigeria
- Past Treasurer, CFA Society Nigeria

## Current Positions on Other Boards

- Chair, Finance and Audit Committee, and Member, Credit Committee, Infrastructure Credit Guarantee Company
- Chair, Affinity Capital
- Chair, Platform for Educational Advancement Ltd/Gte

## Education

- Master of Philosophy, International Business, International School of Management
- Master of Philosophy, International Finance, University of Glasgow
- Bachelor of Science in Economics, University of Ibadan





# CONTINUING GOVERNOR MEI GAO, CFA

## Current Position

- Partner, Portfolio Manager, IDG Capital

## Prior Positions

- President, Fore Research & Management
- Partner, Head of Portfolio Management & Chair of Management Committee, Fore Research & Management
- Managing Director, Portfolio Management, Fore Research & Management

## Society Volunteer Experience

- Society Event Speaker, CFA Society Beijing

## Current Positions on Other Boards

- Director & Investment Committee Member, Cavamont Holdings Ltd.
- Director, Generation Asia I Acquisition Ltd.

## Education

- Master of Business Administration, Wilfrid Laurier University
- Bachelor of Arts, Shantou University
- Chartered Financial Analyst, CFA Institute

<b>GOVERNOR SINCE</b> 2022	<b>COUNTRY</b> United States/China
<b>TERM EXPIRES</b> 2025	<b>REGION</b> AMER/APAC
<b>AGE</b> 50	<b>SOCIETY MEMBERSHIP</b> Beijing

### EXPERIENCE

- Audit
- CFA Institute Volunteer ✓
- CFA Program
- Corporate Governance
- Education
- Human Resources
- Information Technology
- Leadership ✓
- Not-for-Profit
- Public Company Board
- Regulatory
- Society Leadership



CHARTERHOLDER



INDEPENDENT





# CONTINUING GOVERNOR JOANNE HILL, PHD

**GOVERNOR SINCE**  
2021

**COUNTRY**  
United States

**TERM EXPIRES**  
2024

**REGION**  
AMER

**AGE**  
73

**SOCIETY MEMBERSHIP**  
South Carolina

**EXPERIENCE**

- Audit
- CFA Institute Volunteer ✓
- CFA Program
- Corporate Governance
- Education ✓
- Human Resources
- Information Technology
- Leadership ✓
- Not-for-Profit ✓
- Public Company Board
- Regulatory
- Society Leadership



## Current Position

- Chief Advisor, Research and Strategy, Cboe Vest
- Adjunct Professor, Finance, College of Charleston

## Prior Positions

- Head, Institutional Investment Strategy, ProShares
- Managing Director, Goldman Sachs
- Managing Director, PaineWebber

## Prior Board Committee Service

- Society Partnership Advisory Council (FY2022)

## CFA Institute Volunteer Experience

- Trustee, CFA Institute Research Foundation
- Co-author, A Comprehensive Guide to ETFs, (CFA Institute Research Foundation)
- Co-author, Level II curriculum on Exchange Traded Funds
- Member, Financial Analysts Journal Advisory Council
- Former Member, Financial Analysts Journal Editorial Board

## Society Volunteer Experience

- Speaker, CFA Society Events and Financial Analysts Seminars

## Current Positions on Other Boards

- US Emeritus Board Member, Women in ETFs (Founding Member and Former Co-President)
- Board Member and Chair, Investment Committee, Bishop Gadsden Episcopal Retirement Community

## Education

- Syracuse University, PhD, Finance, and Master of Business Administration
- George Washington University, Master of Arts, International Affairs
- American University, School of International Service



## CONTINUING GOVERNOR HEINZ HOCKMANN, PHD

**GOVERNOR SINCE**  
2021

**COUNTRY**  
Germany

**TERM EXPIRES**  
2024

**REGION**  
EMEA

**AGE**  
70

### EXPERIENCE

Audit	✓
CFA Institute Volunteer	
CFA Program	
Corporate Governance	✓
Education	✓
Human Resources	✓
Information Technology	
Leadership	✓
Not-for-Profit	
Public Company Board	✓
Regulatory	✓
Society Leadership	



### Current Position

- Member, Advisory Council, Lovell Minnick Partners LLC
- Regular Lecturer, Justus-Liebig University Giessen, TU Chemnitz, and Smith College
- Non-Executive Chairman, Silk Invest Limited

### Prior Positions

- CEO, Fortis Investment Management S.A.
- Chief Executive, Westfalenbank AG
- Member, Board of Managing Directors, Commerzbank AG

### Prior Board Committee Service

- Governance Committee (FY2022)

### Current Positions on Other Boards

- Chairman, Supervisory Board, Ökoworld AG
- Deputy Chairman, Supervisory Board, WWK Lebensversicherung VVaG
- Member, Board of Directors, WWK Allgemeine Versicherung AG
- Chairman, Supervisory Board, GET Capital AG
- Chairman, Investment Committee, SANAD Fund for MSME

### Education

- Undergraduate and Graduate Studies in Economics and Business Administration, University of Bochum
- Master of Economics and Business Administration, University of Bochum
- PhD in Business Finance, University of Bochum



# CONTINUING GOVERNOR PUNITA KUMAR-SINHA, PHD, CFA

<b>GOVERNOR SINCE</b> 2018	<b>COUNTRY</b> India/United States
<b>TERM EXPIRES</b> 2024	<b>REGION</b> APAC
<b>AGE</b> 60	<b>SOCIETY MEMBERSHIP</b> Boston/India

## EXPERIENCE

Audit	✓
CFA Institute Volunteer	
CFA Program	
Corporate Governance	✓
Education	
Human Resources	✓
Information Technology	✓
Leadership	✓
Not-for-Profit	
Public Company Board	✓
Regulatory	✓
Society Leadership	



**CHARTERHOLDER**



**INDEPENDENT**



## Current Position

- Founder and Managing Partner, Pacific Paradigm Advisors LLC
- Founder and Director, Paradigmarg Advisors Pvt. Limited

## Prior Positions

- Senior Managing Director and CIO & Head, Blackstone Asia Advisors, The Blackstone Group
- CIO and Senior PM, New York Stock Exchange Listed India Fund and Asia Tigers Fund
- Managing Director, Oppenheimer & Company/CIBC Oppenheimer

## Prior Board Committee Service

- Audit and Finance Committee (FY2021, FY2022)
- Audit and Risk Committee (FY2019)
- Governance Committee (FY2020)
- Investment Committee (FY2020)
- Investment Subcommittee (FY21-22\*)  
\*Chair

## CFA Institute Volunteer Experience

- Conference Speaker

## Society Volunteer Experience

- Event Speaker and Moderator
- Presenter, Charter Awards Ceremony

## Current Positions on Other Boards

- Member, CFA Institute Research Foundation Board of Trustees
- Independent Director, Lupin (Chair, Audit Committee and Member, Nomination and Remuneration Committee)
- Independent Director, JSW Steel (Chair, Hedging Policy Review Committee, and Member, Risk Management and Business Responsibility Committees)
- Independent Director, Blackstone Embassy REIT (Chair, Stakeholders Relationship Committee)
- Independent Director, Marelli Holdings (Member, Audit Committee)

## Education

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

\* Denotes the governor served as Chair.





# CONTINUING GOVERNOR GEOFFREY NG, CFA

**GOVERNOR SINCE**  
2018

**COUNTRY**  
Malaysia

**TERM EXPIRES**  
2024

**REGION**  
APAC

**AGE**  
49

**SOCIETY MEMBERSHIP**  
Malaysia

## EXPERIENCE

Audit	✓
CFA Institute Volunteer	✓
CFA Program	✓
Corporate Governance	
Education	
Human Resources	✓
Information Technology	✓
Leadership	✓
Not-for-Profit	
Public Company Board	✓
Regulatory	
Society Leadership	✓



**CHARTERHOLDER**



**INDEPENDENT**



## Current Position

- Director, Strategic Investments, Fortress Capital Asset Management

## Prior Positions

- Executive Director/CEO, Hong Leong Asset Management Group
- Managing Director, Alioth Capital
- Senior Vice President, Dubai Investment Group

## Prior Board Committee Service

- Audit and Finance Committee (FY2021\*, FY2022\*)
- Audit and Risk Committee (FY2019, FY2020)
- Board Liaison to the Disciplinary Review Committee (FY2020)
- Nominating Committee (FY2022)
- Society Partnership Advisory Council (FY2021)

## CFA Institute Volunteer Experience

- Past Grader, CFA® Exam
- Past Member, Council of Examiners
- Past Vice Chair, Education Advisory Committee
- Past Participant, Test Specifica

## Society Volunteer Experience

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

## Current Positions on Other Boards

- Chairman, Kronologi Asia Berhad
- Executive Director, Fortress Capital Asset Management Sdn Bhd
- Non-Executive Director, MiyaHealth Pte. Ltd.
- Non-Executive Director, CAPE EMS Berhad
- Non-Executive Director, FMX (M) Sdn Bhd

## Education

- Fintech Certificate, Future Commerce, Massachusetts Institute of Technology
- Certificate, CFA Institute Investment Foundations Program
- Certified Financial Planner, Financial Planning Association Malaysia
- Chartered Financial Analyst, CFA Institute
- Bachelor of Commerce, Finance and Accounting, Carleton University

\* Denotes the governor served as Chair.



# CONTINUING GOVERNOR TRICIA ROTHSCHILD, CFA

## Prior Positions

- President, Apex Fintech Solutions
- Chief Product Officer and Co-Head of Global Markets, Morningstar, Inc.
- Member, Executive Team/Executive Officer, Morningstar, Inc.

## Prior Board Committee Service

- Audit and Risk Committee (FY2020)
- Executive Committee (FY2022)
- Governance Committee (FY2021)
- People and Culture Committee (FY2022)
- Risk Committee (FY2021\*, FY2022\*)

## Current Positions on Other Boards

- Advisory Board Member, The TIFIN Group
- Board Member, Financial Fitness Group
- Non-Executive Director, Nitrogen Wealth, Inc.
- Industry Advisory, Advent International

## Education

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

<b>GOVERNOR SINCE</b>	<b>COUNTRY</b>
2019	United States
<b>TERM EXPIRES</b>	<b>REGION</b>
2025	AMER
<b>AGE</b>	<b>SOCIETY MEMBERSHIP</b>
56	Chicago

### EXPERIENCE

Audit	
CFA Institute Volunteer	
CFA Program	
Corporate Governance	
Education	✓
Human Resources	✓
Information Technology	✓
Leadership	✓
Not-for-Profit	
Public Company Board	
Regulatory	✓
Society Leadership	



**CHARTERHOLDER**



**INDEPENDENT**



\* Denotes the governor served as Chair.



# CONTINUING GOVERNOR MARIA WILTON, CFA

**GOVERNOR SINCE**  
2018

**TERM EXPIRES**  
2025

**AGE**  
58

**COUNTRY**  
Australia

**REGION**  
APAC

**SOCIETY MEMBERSHIP**  
Melbourne

## EXPERIENCE

Audit	✓
CFA Institute Volunteer	
CFA Program	
Corporate Governance	✓
Education	
Human Resources	✓
Information Technology	
Leadership	✓
Not-for-Profit	✓
Public Company Board	
Regulatory	✓
Society Leadership	



**CHARTERHOLDER**



**INDEPENDENT**



## Current Position

- Director, Victorian Funds Management Corporation
- Director, Dexus Wholesale Property Fund

## Prior Positions

- Managing Director and Chairman, Franklin Templeton Investments Australia Limited
- Associate Director and Portfolio Manager, BT Financial Group (formerly Rothschild/Sagitta)
- Associate Director and Portfolio Manager, County Investment Management
- Director, Post Super Ltd.

## Prior Board Committee Service

- Executive Committee (FY2021)
- Governance Working Group (FY2019, FY2020)
- People and Culture Committee (FY2020\*, FY2021\*, FY2022\*)
- Society Partnership Advisory Council (FY2019)

## CFA Institute Volunteer Experience

- Former Chair, Diversity Council, CFA Society Australia
- Former Member, Advocacy Council, CFA Society Australia

## Current Positions on Other Boards

- Deputy Chair, Infrastructure Victoria
- Member, State Investment Advisory Board (Queensland)
- Director, Confident Girls Foundation
- Chair, Spirit Super
- Chair, Growth Farms Australia

## Education

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

\* Denotes the governor served as Chair.



# PRESIDENT & CEO

## MARGARET FRANKLIN, CFA

### Current Position

- President and Chief Executive Officer, CFA Institute

### Current Positions on Other Boards

- Board Trustee, CFA Institute Research Foundation

### Prior Positions

- President, BNY Mellon Wealth Management, Advisory Services
- Board Member, BNY Mellon Trust Company
- President, Marret Private Wealth, and COO of Marret Asset Management

### Education

- Bachelor of Arts in Economics, McMaster University
- Chartered Financial Analyst, CFA Institute

#### GOVERNOR SINCE

2019

#### COUNTRY

United States

#### AGE

58

#### REGION

AMER

#### SOCIETY MEMBERSHIP

Toronto

#### EXPERIENCE

- Audit ✓
- CFA Institute Volunteer ✓
- CFA Program
- Corporate Governance
- Education
- Human Resources ✓
- Information Technology
- Leadership ✓
- Not-for-Profit ✓
- Public Company Board
- Regulatory
- Society Leadership ✓



CHARTERHOLDER



### Prior 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, FY2021, FY2022)

### CFA Institute Volunteer Experience

- Past President and Board Member, CFA Society Toronto
- Past Chair and Member, CFA Institute Board of Governors (FY2004–FY2012)



## OUTGOING GOVERNOR

The following governor has chosen to step down from the Board at fiscal year end. He has served with distinction and made significant contributions to the Board and CFA Institute in general. We sincerely thank him for his valuable service.



### Dan Fasciano, CFA

#### EXPERIENCE

- Audit
- CFA Institute Volunteer ✓
- CFA Program
- Corporate Governance
- Education
- Human Resources
- Information Technology
- Leadership
- Not-for-Profit
- Public Company Board
- Regulatory
- Society Leadership ✓

# Voting Matters

## 3

### PROPOSAL 3: RATIFICATION OF THE SELECTION OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

#### RATIFICATION

The Audit and Finance Committee (AFC) has appointed KPMG LLP as the organization's independent registered public accounting firm to perform the fiscal year 2023 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 AFC. Moreover, the AFC, 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 2023.

# AUDIT MATTERS



# AUDIT AND FINANCE COMMITTEE REPORT

The Audit and Finance Committee (AFC) is composed of four active governors, three of whom are considered independent per the CFA Institute Standards of Independence for the Board of Governors Policy. Based on this policy, the Board determined that Mr. Birkin would not be conflicted from serving on the AFC. If a potential conflict did arise on committee matters, he would be obligated to recuse himself and/or abstain from the discussion and/or voting. The AFC members' professional biographies, along with the Committee Charter, adopted by the Board of Governors for the AFC, are available [here](#) on our website.

The AFC has reviewed the Audit Matters section and approved it for inclusion in the 2023 Proxy Statement.

The Board has determined that Geoffrey Ng, CFA, satisfies the financial literacy requirements of the NYSE and has the requisite experience to be designated an "audit committee financial expert," as that term is defined by the rules of the SEC.

Management is responsible for the preparation, presentation, and integrity of the financial statements of CFA Institute and for maintaining appropriate accounting and financial reporting policies and practices, as well as internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations.

The independent public accounting firm (independent auditor) chosen by CFA Institute is responsible for auditing the consolidated financial statements of CFA Institute and expressing an opinion as to their conformity with generally accepted accounting principles (GAAP).

In performing its oversight function, the Audit and Finance Committee held five meetings (all video conference calls) in fiscal year 2022. During fiscal year 2023, the AFC met with management and KPMG LLP to discuss the audit of the consolidated financial statements as of and for the period ended 31 August 2022. The AFC 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 and provided all required disclosures regarding its independence from CFA Institute to the AFC.

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 AFC recommended to the Board that the audited CFA Institute Consolidated Financial Statements as of 31 August 2022 be included in the Annual Report.

## AUDIT AND FINANCE COMMITTEE, FISCAL YEAR 2023

- Geoffrey Ng, CFA (Chair)
- Alex Birkin
- Mei Gao, CFA
- Yimei Li, CFA



## APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The AFC appointed KPMG LLP as the organization's independent registered public accounting firm for fiscal year 2023. The AFC, 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 AFC 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 AFC 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.



## FEES INCURRED WITH INDEPENDENT AUDITORS

The following is a summary and description of fees in US dollars for services provided by KPMG LLP for fiscal years ended 31 August 2022 and 2021 (in thousands):

	Audit <sup>(a)</sup>	Audit Related <sup>(b)</sup>	Tax <sup>(c)</sup>	Total
2022	\$447	—	36	<b>\$483</b>
2021	\$438	45	32	<b>\$515</b>

- 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.
- 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.

## AUDIT AND FINANCE COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

The AFC 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 AFC regarding the extent of services provided in accordance with its pre-approval and the fees for the services performed.



# COMPENSATION DISCUSSION AND ANALYSIS



# HOW WE MAKE EXECUTIVE COMPENSATION DECISIONS

The People and Culture Committee (PAC) has reviewed the Compensation Discussion and Analysis section and approved it for inclusion in the 2023 Proxy Statement.

We are committed to having a strong and effective corporate governance framework. The PAC of the Board of Governors provides oversight on executive pay. There are three independent governors on this committee who are free of any relationship that would interfere with their exercise of independent judgment. The PAC meets frequently throughout the year to discuss matters related to executive attraction, development, retention, and pay and to provide insight and direction.

We refer to our president and CEO and to our leadership team managing directors as “executives.” The PAC recommends the compensation of our CEO for approval by the Board, including any incentives, 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 General Counsel and Chief Legal Officer (CLO) has a dual reporting relationship to the CEO and the Board Chair. The compensation for the CLO is determined by the CEO and reviewed by the PAC along with the compensation recommendations of all key executives named in the 990 filing.

Successful and sustainable delivery against the mission is at the forefront of our executive compensation program. As an organization, we value the development of Objectives and Key Results (OKRs) and meaningful Key Performance Indicators (KPIs) for our executives. We focus on selecting the right metrics to measure not only progress toward these goals but also the degree to which our executives exhibit critical leadership capabilities in how they progress toward these goals. This better enables us to assess and calibrate performance in a meaningful way. Our objective is to recognize the needs of the organization while keeping in mind both financial and strategic priorities that create value for our members. At the end of the year, the PAC considers other factors as well, such as the organization’s overall performance and how much progress was made toward our strategic objectives to determine the CEO’s compensation.

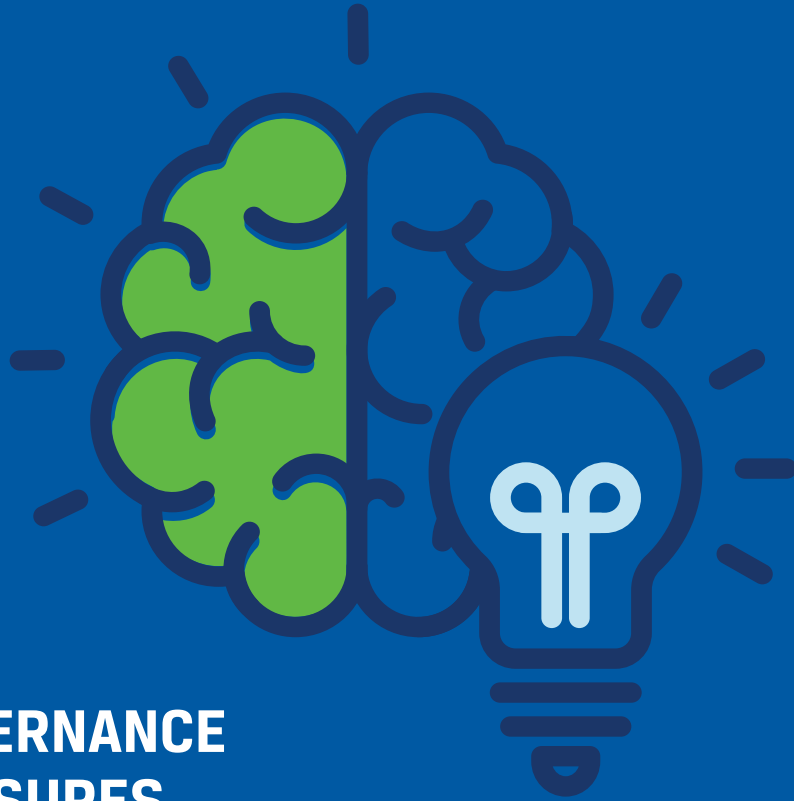
We review and discuss any disclosures regarding our compensation plans, policies, programs, and practices with the PAC and obtain guidance on executive employment agreements and severance arrangements.

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.

## PEOPLE AND CULTURE COMMITTEE, FISCAL YEAR 2023

- Maria Wilton, CFA (Chair)
- Joanne Hill, PhD
- Punita Kumar-Sinha, PhD, CFA
- Mark Lazberger, CFA





## GOVERNANCE MEASURES

- Appointment of the PAC, composed solely of independent directors
- The PAC meets periodically in executive sessions (that is, outside the presence of any senior executive)
- The PAC recommends CEO compensation for Board approval
- Adherence to a compensation philosophy
- The PAC is authorized to engage outside consultants and legal advisers when deemed necessary
- The CEO does not participate in the PAC's deliberations concerning CEO compensation

## ROLE OF THE CEO

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

At the end of the performance cycle, the CEO reviews his or her assessment of each executive's individual performance and his or her compensation recommendations with the PAC before implementing his or her recommendations.

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

## ROLE OF THE CPO

The Chief People Officer (CPO) regularly attends and participates in the facilitation of the meetings of the committee. He or she provides reporting and guidance on people and culture topics and supports the PAC in reviewing and setting the CEO's compensation, which is then submitted to the full Board for approval.

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

## BENCHMARKING

We retain Korn Ferry, a global management consulting firm, as the organization's independent executive compensation consultant. Korn Ferry conducts competitive benchmarking analyses for our executive positions, reviewing all elements of total cash compensation biennially. The purpose of this review is to test the competitiveness of our executive compensation program and ensure it supports our ability to attract and retain top-level executive talent. The study is conducted on an independent fee basis, and our 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 relevancy of benchmarks based on any combination of:

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



# COMPENSATION PAY ELEMENTS

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

## ANNUAL BASE SALARY

- Regular annual salary of the executive

## PURPOSE

- Provides fixed level of competitive compensation to attract, motivate, and retain executive talent
- Compensates executives for their level and scope of responsibility, relative expertise, and experience

## FISCAL YEAR 2022 COMPENSATION ACTIONS

- Effective 1 December 2022, a 7.3% increase was approved for the Chief Executive Officer. Salary increases for the remaining named executive officers are on a biennial cadence and will be reviewed in 2023.

## ANNUAL INCENTIVE PLAN

- Offers opportunities that are set as a percentage of base salary
- President and CEO may earn up to 100% of base salary
- Leadership team managing directors may earn up to 75% of base salary

## PURPOSE

- Motivates and rewards executives for achieving annual organizational objectives aligned with value creation
- Recognizes individual contributions to organizational performance

## FISCAL YEAR 2022 COMPENSATION ACTIONS

- Annual incentive for the CEO for fiscal year 2022 was determined by the People and Culture Committee of the Board at 75% of base salary.
- Paul Moody was hired effective 2 February 2022 as Managing Director, Global Partnerships and Client Solutions.
- Peg Jobst resigned from the position of Managing Director, Credentialing, effective 29 April 2022 and therefore was not eligible for a fiscal year 2022 annual incentive.
- Michael Collins's executive position of Managing Director & Chief Marketing Officer, Marketing and Customer Experience, was eliminated, effective 5 June 2022.
- Chris Ainsworth resigned from the position of Chief Administrative Officer effective 10 June 2022 and therefore was not eligible for a fiscal year 2022 annual incentive.
- Annual incentives for the remaining named executive officers for fiscal year 2022 ranged from 40% to 60%. The average leadership team managing director incentive awarded was approximately 51%.

## RETIREMENT PROGRAM

CFA Institute provides a US 401(k) retirement plan for all employees paid through US payroll. In 2021, the 401(k) employer contributions of CFA Institute included a fixed 12% safe harbor contribution. These contributions were made to all US employees on the same basis.

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

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

For Hong Kong employees, profit-sharing contributions made by CFA Institute to a mandatory provident fund (MPF) plan include a supplementary fixed 10% contribution. These contributions are made to all Hong Kong employees on the same basis, and none are inclusive of statutory MPF contributions. Hong Kong executives may, upon request, have their voluntary pension contributions added to a qualified personal pension account. There are no Hong Kong government limits on compensation or contributions associated with these supplementary pension contributions. Therefore, Hong Kong employees are not eligible for a restoration payment.

For UK employees, fixed contributions made by CFA Institute to a pension scheme are 12%. Employees are automatically enrolled in the scheme three months after hire but can opt in sooner. These contributions are made to all UK employees on the same basis. UK pension contributions are subject to an annual contribution cap dependent on the individual employee's income.



## OTHER BENEFITS/ALLOWANCES

As a global organization, CFA Institute invests in global talent development through leadership development programs 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.

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 (only applicable to executives in the United States and Hong Kong).

## 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 an extension of any health care benefits (if available) for the duration of the severance pay period, a bonus, and outplacement services.

IN 2021, 401(K) EMPLOYER CONTRIBUTIONS  
OF CFA INSTITUTE INCLUDED A FIXED

**12% safe harbor  
contribution.**



## 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 require public companies to report the CEO pay ratio. Although we are not required to do so, 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 2022.

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 2022; (iii) utilized the exemption permitted under Item 402(u) of Regulation S-K to exclude employees from three countries—the United Arab Emirates, India, and Belgium (which, in the aggregate, represented less than 5% of our total employee population as of 31 August 2022); and (iv) adjusted non-US employee pay applying foreign currency translation rates.

### For 2022, the company’s last completed fiscal year:

- the annual total compensation of our median employee, a US-based non-executive employee, for purposes of determining the CEO pay ratio, was \$114,556 and
- the annual total compensation of our CEO for the purposes of determining the CEO pay ratio was \$1,112,500.

Based on this information, for 2022, the ratio of the annual total compensation of our CEO to the annual total compensation of the median non-executive employee was estimated to be 10 to 1.

It is important to note that SEC rules for identifying the median employee and calculating the pay ratio based on that employee’s annual total compensation allow companies to adopt a variety of methodologies to do so. Given the different methodologies, exclusions, estimates, and assumptions other companies may utilize to calculate their respective CEO pay ratios, as well as the differences in employee populations and compensation practices between companies, the pay ratio reported by other companies may not be comparable to the estimated ratio reported above.



## COMPENSATION SUMMARY TABLE FOR THE TOP FIVE NAMED EXECUTIVE OFFICERS

The following table provides compensation information for the top five named executive officers, which includes the Chief Executive Officer, the Chief Financial Officer, and the next three top-paid executives who served on the Leadership Team in fiscal year 2022 (sorted by earnings). The amounts are shown in US dollars.

You can visit our Annual Reports and 990s page [here](#) on our website to view our Form 990s for the past three years.

Named Executive Officer	Base Salary	Incentive <sup>(1)</sup>	Retirement Restoration <sup>(2)</sup>	Retirement Plan Contribution <sup>(3)</sup>	Total <sup>(4)</sup>
Margaret Franklin, CFA, President & Chief Executive Officer	\$625,000	\$487,500	\$97,500	\$36,000	<b>\$1,246,000</b>
Paul Andrews, Managing Director, Research, Advocacy, and Standards	\$350,000	\$175,000	\$27,000	\$36,000	<b>\$588,000</b>
Marty Colburn, Managing Director and Chief Operating Officer	\$322,500	\$198,000	\$26,460	\$36,000	<b>\$582,960</b>
Steven Hendry, Managing Director and Chief Financial Officer	\$320,000	\$198,000	\$26,160	\$36,000	<b>\$580,160</b>
Sheri Littlefield, JD, Managing Director, General Counsel, and Chief Legal Officer	\$344,500	\$175,000	\$26,340	\$36,000	<b>\$581,840</b>

1) Incentive earned in the fiscal year; payouts fall in the next fiscal year.

2) 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. The US annual compensation cap for 401(k) contributions was \$290,000 for calendar year 2021; restoration amounts were paid in January 2022.

3) Employer retirement contributions made to the executive's retirement or pension plan.

4) Total represents total value of Columns 1-4.

# INFORMATION ABOUT THE MEETING AND VOTING





## RECOMMENDATIONS

The CFA Institute Board of Governors recommends that each Regular Member vote FOR (i) the election of the nominees for Chair and Vice Chair, (ii) the election of the 3 nominees to serve as members of the Board of Governors, and (iii) 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 election of the Chair, the Vice Chair, and 3 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 REPORTS AND 990S

The Annual Report of CFA Institute for the fiscal year ended 31 August 2022, including consolidated financial statements, is available on the Annual Reports and 990s page of our [website](#).

## GOVERNANCE

The [Governance](#) and [Annual Reports and 990s](#) pages on our website will provide you with ease of access to our disclosure documents and insight into our corporate governance infrastructure. You will find information on our Annual Meeting of Members, Board of Governors, Board Committees, and Leadership Team as well as a repository of our proxy statements, annual reports, Form 990s, and governing policies, practices, and codes of conduct.

## ACCESSING THE ANNUAL MEETING OF MEMBERS REMOTELY

The Annual Meeting of Members will be held virtually. During the meeting, please visit <https://cfainstitute-org.zoom.us/j/91617540482>. You may attend the live audio webcast using your computer, smart phone, or tablet. You can also dial into the session, if preferred, by calling +1 646 876 9923 (US Toll Free) and entering the Meeting ID: 916 1754 0482. If you need a different number, you can find your local number [here](#). To listen to the meeting recording after the session has concluded, please visit our [Governance](#) page on our website.





# APPENDIX

CFA Institute Articles of Incorporation & Bylaws

# CFA INSTITUTE ARTICLES OF INCORPORATION

(A VIRGINIA NONSTOCK CORPORATION) RESTATED 01 AUGUST 2022

## ARTICLE 1 – NAME

The name of the corporation is “CFA Institute.”

## ARTICLE 2 – PURPOSES

The purposes of CFA Institute are to promote and advance the “Investment Decision Making Process,” consisting of financial analysis, investment management, securities analysis, stewardship, and other similar professional endeavors, through education, instruction and training; examinations and professional credentialing; research and advocacy; publications and communications; technical standards for professional practice; ethical and behavior codes; and other policies, programs, activities, and operations that promote and advance 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.

# CFA INSTITUTE BYLAWS

(A VIRGINIA NONSTOCK CORPORATION) AMENDED 14 JULY 2022

## ARTICLE 1 – NAME, LOCATION, PURPOSES, 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.
- 1.4 Purposes.** The purposes of CFA Institute are to promote and advance the “Investment Decision Making Process,” consisting of financial analysis, investment management, securities analysis, stewardship, and other similar professional endeavors, through education, instruction and training; examinations and professional credentialing; research and advocacy; publications and communications; technical standards for professional practice; ethical and behavior codes; and other policies, programs, activities, and operations that promote and advance the Investment Decision Making Process.

## 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, Affiliate, or other class of Member, a Candidate, a Postponed Candidate, an individual that has passed the CFA® Level III Exam but not been awarded the CFA charter (and who appears to be misusing the CFA designation), an 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 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 persons who are Regular Members, Affiliate Members, Charterholder Members, or Members in another class of membership.
- 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 “Postponed Candidate”** is an individual who has registered for the CFA Program, but is not a Candidate as defined in the Bylaws.
- 2.15 “Professional Conduct Statement”** is a form prepared by CFA Institute that must be signed annually and submitted by all Individual Members and Candidates.
- 2.16 “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, Member Societies, and other classes of non-voting membership for individuals, as determined by the Board.
- 3.2 Regular Members.** Each applicant seeking to become 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 which 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 and Charterholder 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, Member Societies, and other classes of membership for individuals as determined by the Board, 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, Affiliate Members or other classes of membership for individuals as determined by the Board.

**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 Charter Financial Analyst<sup>®</sup> (CFA<sup>®</sup>) 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, if the meeting is to be held at a place, places within or without the Commonwealth of Virginia, as determined by the Board. The Board may determine that any meeting of members shall not be held at any place and shall instead be held solely by means of remote communication in accordance with applicable law.
- 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 (if any) 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 unless that 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 (if any) 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 (if any) of the Board meetings shall be designated by the Board, Chair or Secretary. The Board, Chair or Secretary may determine that any Board meeting shall not be held at any place and shall instead be held solely by means of remote communication in accordance with applicable law.

- 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 (if any) 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 (if any) 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 2020.

### **6.2 Chair.**

- a The Chair shall:
  - i preside at all Board and member meetings;
  - ii be the representative of the Board and the Executive Committee; and
  - iii have such other duties and powers as prescribed in the Bylaws, the Articles, by the Board, and by law.

### **6.3 Vice Chair.**

- a The Vice Chair shall:
  - i perform the duties of the Chair in his or her absence;
  - ii automatically become the Chair of CFA Institute in the event of the Chair's incapacity, resignation, removal, or death; and
  - iii 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 appointed by the Board to serve at its pleasure;
  - ii be entitled to compensation as approved by the Compensation Committee;
  - iii be the chief executive officer of CFA Institute;
  - iv have the power and authority to appoint and remove officers other than the Chair, Vice Chair, Secretary, and Chief Financial Officer;



- v have management, supervision and control of, and responsibility for the business of CFA Institute, subject to the direction of the Board; and
  - vi 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 act 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 the 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** The Chair shall serve as an ex officio member;
  - 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 fiscal year basis and commencing no later than 1 September, 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.

**d** Each member of the Nominating Committee other than the 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 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

**e** 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 members; 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 candidate(s) to assist CFA Institute in fulfilling its purposes.

**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 other than the Chair, 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 – LIMIT ON LIABILITY AND INDEMNIFICATION**

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

**10.2 Indemnification.** 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.

## **ARTICLE 11 – FINANCES**

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

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

**11.3 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 12 – STANDARDS AND DISCIPLINARY PROCESS**

**12.1 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.

**12.2 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.

**12.3 Disciplinary Sanctions and Grounds of 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.

**12.4 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 13 – AMENDMENT OF THE BYLAWS**

**13.1 Amendments by the Board.** The following articles and sections of the Bylaws may be amended by the Board upon the two-thirds (2/3) affirmative vote of the Governors then serving: Section 2.8, 2.9, 2.15, 2.16 and Articles 5, 6, 7, 11, and 12.

**13.2 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, Bylaws, or otherwise by applicable law.

