

FY2023 GOVERNOR SELECTION CRITERIA

Below are the attributes the Nominating Committee considers in the selection of governors. Attributes are prioritized each nominations cycle based on guidance from the CFA Institute Board of Governors.

Bylaws Criteria - Experience required by the CFA Institute Articles of Incorporation and Bylaws.	
<u>Charterholder</u>	An individual who has satisfied the requirements to become a regular member and has successfully passed the CFA Program.
<u>Leadership Experience</u>	Proven track record as a leader, preferably in a C-Suite role within a global organization of comparable size and complexity as CFA Institute; independent thinker with appropriate stature and style; experienced at dealing with internal and external stakeholders.
<u>CFA Institute Volunteer Experience</u>	Experience serving as a CFA Institute volunteer (e.g. GIPS Committees/Subcommittee, Future of Finance Advisory Council, Disciplinary Review Committee, Council of Examiners, etc.)
<u>Society Leadership Experience</u>	Experience serving in a Chair, President, or PCR role for a CFA Institute Member Society.
<u>Diversity</u>	CFA Institute remains invested in maintaining a climate where equality and mutual respect are both intrinsic and explicit by valuing individuals and groups from all occupational and personal backgrounds and experiences to obtain a wide range of viewpoints and perspectives. The Board is committed to cultivating its members to reflect diversity in demographics such as gender, race, ethnicity, and geography.
<u>CFA Program Expertise</u>	Experience working directly on CFA Program curriculum development or exam development obtained, for example, through active membership on the Council of Examiners or Education Advisory Committee.
<u>Corporate Governance Experience</u>	Expert in Board and Public company policies and procedures as evidenced by extensive and significant public company board service (preferably on corporate governance and nominations committees) and/or recognized expert in the field.
<u>Public Company Board Experience</u>	Board service in a publicly listed company of significant size and complexity, at least comparable to the size and reach of CFA Institute.
<u>Not-for-Profit Experience</u>	Board service in a not-for-profit organization of significant size and complexity, at least comparable to the size and reach of CFA Institute.
<u>Education Experience</u>	Extensive credentialing, teaching, or administrative experience gained at a significant university or post graduate institution.

Public Company Standards Criteria - Criteria required under public company standards or that are leading practice for public companies.

<p><u>Audit</u></p>	<p>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:</p> <ul style="list-style-type: none"> • education and experience as a public accountant, auditor, principal financial officer, controller or principal accounting officer of a company, or a position involving similar functions; • experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions; • experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or other relevant experience. (SOX Section 407; SEC Regulation S-K Item 407(d)(5))
<p><u>Independent</u></p>	<p>A governor shall be considered to be “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.</p> <ul style="list-style-type: none"> • 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.

Proxy Statement Related Criteria - Skills commonly identified on the CFA Institute Proxy Statement. These skills are typically included in public company proxy statements.

<p><u>Human Resources</u></p>	<p>Experience in people management in an organization at least of comparable size and complexity to that of CFA Institute and/or board or HR experience in planning CEO succession; experience in remuneration practices.</p>
<p><u>Information Technology</u></p>	<p>Outstanding technology expertise in a leadership role overseeing digital transformation and social media delivery capabilities and ideally, knowledge relevant to potential industry disruptors.</p>
<p><u>Regulatory</u></p>	<p>Demonstrable first-hand knowledge of regulatory issues, regulators and public policy making either gained from within the policy making establishment itself or via participation on high level and influential advisory panels that shape the rule making impacting the investment industry.</p>

Board Competencies - Each governor is expected to exhibit these competencies at the highest level.

<u>Business Judgement</u>	Has the experience and strategic foundation to focus the board on the organization's top priorities and use of resources; ability to handle complexity and ambiguity and to simplify issues to the essence to make sound business decisions; ability to look ahead; ability to transfer to strategic insight to different environments.
<u>Champion of CFA Institute</u>	Motivation to invest time and effort in learning about the organization needs and commitment to stay up to date with it; diligent enough to follow through with commitments; invests the time necessary.
<u>Cultural Sensitivity</u>	Culturally aware and savvy; sensitive to regional differences; ability to adapt their style, especially the flexibility to adapt to change.
<u>Interpersonal Communication</u>	Ability to build relationships with all kinds of people; ability to influence, gain trust and support from others; ability to use diplomacy and tact; ability to listen/adjust to others' input; effectively balances speaking and listening.
<u>Tone at the Top</u>	Adherence to appropriate and effective set of core values, and ability to live by these; honest and truthful; authentic, self-aware and confident enough to "be oneself"; sets the right "tone at the top" for the organization.