



CFA Society Netherlands

Minutes CFA Society Netherlands' AGM FY 2016/2017 held on 19 September 2017

Date: 19 September 2017

Time: 18:26-19:19

Venue: Crown Plaza Hotel, Amsterdam

Present: Jacco Heemskerk (Chair), Jeroen Bos (Secretary, Minutes), Pieter van Putten, Sjoerd Rozing, Cees Harm van den Berg, Jennifer McKinley (Staffed Office), Alex Morozov, Joost Calje, Michiel Plakman, Rik Albrecht, Hilko de Brouwer, Frank Eizinga, Fawaz Faruqi, Raphie Hayat, Joseph van den Heuvel, Jeroen Jansen, Alwin Oerlemans, Frans Verhaar, Ton Schrijen, Sander Feenstra, Pieter de Graaf, Tim van Dure, Mark van Aartsen, Michio Sugino

1. Jacco Heemskerk opens the General Meeting at 18.26 and welcomes everyone
2. Jacco requests Jeroen Bos as the secretary of the meeting which Jeroen happily accepts
3. Minutes of last year's meeting are unanimously adopted. There was one on last year's minutes from Raphie Hayat that he was present but is missing from the attendees list so this will be added to last year's minutes.

4. Annual Report 2016/2017 Highlights:

Alex Morozov, treasurer of CFA Society Netherlands, presents the Annual Report. He indicates that the issue with the tax authorities has been resolved in favor of the society, leading to a release of reserves. So this positively impacted the profitability but should be seen as a one-off hence should not be expected going forward.

The results were also negatively impacted by some additional expenses relating to the merger (legal advice etc). Cash balances are fairly significant at over EUR 300k.

Question from the audience: What are the details of the settlement. Answer: Alex indicated that CFA Society Netherlands has several different revenue streams. Tax authorities wanted to tax all income streams, a stance with which we did not agree. The

outcome of the discussion was that contributions by CFA Institute and membership dues will not be taxable. Note that these are our largest income streams.

5. The Kascontrole commissie has audited the accounts and indicated that the financial statements for the year 2016/2017 fairly reflect, in all material aspects, the financial position of CFA Society Netherlands. No further comments were made by the Kascontrolecommissie.

6. Jacco initiated a vote to accept the annual report and to discharge the board. The AGM attendants unanimously vote in favor to accept the annual report and discharge the board. Jacco also initiated a vote to reappoint the kascontrole commissie comprising of Michiel Plakman, who during the meeting volunteered, and Paulrich Tan, current member of the Kascontrole commissie.

7. Jacco presented the merger proposal, draft articles of association and draft board composition. Clear benefits for members, for the CFA Society Netherlands (scale, more staff, better execution), clear benefit to society as well. Two organizations that are very complementary to each other from several different angles.

8. Q(uestion): How many people are current attending the VBA program ? Answer: In the last few years around 15-25 people have enrolled in the current program. However, we are looking at revamping the current VBA program to remove overlap with the CFA program and make it focused on local topics so that it becomes interesting again for a much broader group of people including all the CFA Charterholder.

Q: Will we have the power to reposition the VBA program. Answer: Yes, the board of the new combination will have the ability to steer the program into the agreed direction. Therefore we can ensure this will not be a competing program.

Q: What is the procedure for the new board composition. Answer: A new board for the new combination will be proposed and voted upon at the next AGM, likely to be held in December.

Q: Have other local societies done this as well. Answer: yes, we have had two combination, one in the UK. And one in Denmark. The UK one was successful and we have learned some good lessons from this. The Denmark merger was less

successful due to the governance with, at some point, not CFA Charterholders on the board. We have learned from this as well and set up the bylaws as such that there is always a minimum of 50% CFA Charterholders in the board. Furthermore, throughout the process we have had legal advice on the best way to structure the merger.

Q: Most mergers don't actually work in practice. Why would this work given that the combo is lossmaking, what is the financial price ? answer: to start with the financial angle note that both societies are very healthy, are modestly profitable and have solid reserves. In our current 5-10 year financial plan we will be profitable, with the already committed support of CFA Institute in the first few years after which we will be self-sufficient. Although it was indicated that merger often don't work in the corporate environment, note that we are two non-profit organizations with the same goals and mission so we are comfortable we will make this work together. At the same time, we will also use the services of a firm specialized in (cultural) integration to ensure a successful merger.

Q: should we not have every member vote ? Answer: all members have been informed in a timely fashion of the AGM, not only through multiple e-mails and our website but also through media such as the Financieel Dagblad. In addition, we have facilitated for all members to vote through e-mail and several members have used this opportunity. So we feel that everybody had a fair and timely opportunity to cast their vote, be it in person, be it by e-mail. Given the importance of the vote a supermajority is needed for it to be approved.

Q: Can we leverage the new to be repositioned VBA program to other countries: answer: yes, this is also what CFA Institute very much likes in this merger.

Q: can the VBA holders use the CFA title ? Answer: No, this has been investigated and decided against.

9. Jacco initiated a vote on the intended decision to merge into "CFA Society VBA Netherlands". Voting was done by paper cards collected by Jennifer McKinley of the staffed office. Jennifer counted the votes and the vote count was checked by Joseph van den Heuvel, a volunteer from the attendees present. The result: 24 votes in favor, including 5 proxy votes, 3 against, including 1 proxy vote. With that the proposal was approved.
10. Jacco opens the floor for Any Other Items. There was only one; Jacco indicating that the VBA vote on the merger just came in with 81.1% of the votes in favor of the merger.

Jacco closed the meeting at 19:19

Resolutions:

Resolution 20170919-001 AGM approves the minutes for Fiscal Year 2015/2016

Resolution 20170919-002 AGM approves the annual report for Fiscal Year 2016/2017

Resolution 20170919-003 AGM discharges board for Fiscal Year 2016/2017

Resolution 20170919-004 AGM installs Michiel Plakman & Paulrich Tan for the Kascontrolecommissie

Resolution 20170919-005 AGM voted in favor on the intended decision to merge into "CFA Society VBA Netherlands".