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**CFA CENTRE FOR FINANCIAL MARKET INTEGRITY UNVEILS NEW GLOBAL
CORPORATE GOVERNANCE MANUAL FOR INVESTORS**

Manual Will Educate and Empower Investors in the Decision-Making Process

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CHARLOTTESVILLE, VA, 14 April 2005 – The CFA Centre for Financial Market Integrity, the thought-leadership and policy-setting arm of CFA Institute, today released *The Corporate Governance of Listed Companies: A Manual for Investors*, which is a comprehensive guide to help analysts and investors around the world assess a company's corporate governance policies and the associated risks they need to consider before making investment decisions.

The document also can be used by issuers of financial securities to develop a better understanding of what investors are looking for in well-governed companies.

Specifically, the manual lists what investors and shareowners should consider in terms of board practices, management practices and shareowner rights as they evaluate whether the company's corporate governance structure creates risks that could affect shareowner wealth.

"A number of studies have shown that there is a strong positive link between good corporate governance practices, profitability and investment performance," said Kurt Schacht, CFA, executive director of the CFA Centre. "This is a factor that investors and issuers of financial securities should not ignore."

Schacht added that the manual is different from other guides because it "does not advocate specific best practices, nor does it recommend any particular corporate governance system. Rather, it targets potential investors, existing shareowners, analysts and issuers of financial securities and demonstrates to them the primary corporate governance risks they should consider."

A task force led by Chuck Tschampion, CFA, retired chief strategist and managing director with General Motors Investment Management Corp., worked with CFA Centre staff to develop the manual. The task force included more than 30 securities analysts, legal and corporate-governance experts, mutual fund managers and pension consultants from 12 nations.

The CFA Centre intends to update the document as corporate governance practices change over time. The manual also includes a directory of existing and proposed

corporate-governance codes from around the world.

“To better safeguard their interests, investors must be responsible for assessing a company’s corporate-governance policies and the associated risks. Investors cannot rely on issuers to do this for them,” said Schacht. “Corporate failures like those at Enron, Tyco, Parmalat, Royal Dutch/Shell and Daewoo have created investor capital losses in the hundreds of billions of dollars and demonstrated the huge risks posed by corporate-governance breakdowns. We hope that the manual will help investors better recognize, understand and analyze how corporate governance affects the value of their investments.”

In general, the manual describes major areas of risk that investors should consider, including those associated with:

- **A Non-Functioning Board**—Investors should determine the degree to which board members are independent and exercise that independence.
- **Imperial Management**—Investors should determine whether the company has a code of ethics in place that limits the ability of the management team to use company assets for personal reasons, and to arrange lucrative compensation plans for themselves.
- **A Lack of Shareowner Rights**—Investors should inquire as to whether, among other things, they can vote their shares by proxy, whether they can nominate board members, whether the company must implement approved shareowner initiatives, and if the company has multiple classes of common shares.

CFA Institute, previously through its internal standard setting and advocacy efforts and now through the CFA Centre, has long advocated good corporate-governance practices such as transparency and independence of corporate boards and management. Most recently, the Centre sent comment letters to the SEC, the Organisation for Economic Cooperation and Development and the Canadian Securities Commission regarding board composition, independence, shareowner nominations and ethics codes (for public statements, visit http://www.cfainstitute.org/pressroom/speaksout/what_cfa_institute_stands_for_alpha.html).

About the CFA Centre for Financial Market Integrity:

The CFA Centre was created to develop timely, practical solutions to global capital market issues, while advancing investors’ interests by promoting the highest standards of ethics and professionalism within the investment community worldwide. Established in 2004 by CFA Institute as a distinct division with its own executive director and advisory council, the CFA Centre will build upon the 40-year history of standards and advocacy work of CFA Institute, especially its Code of Ethics and Standards of Professional Conduct for the investment profession, which were first established in the 1960s.

About CFA Institute:

CFA Institute is the global, non-profit professional association that administers the CFA curriculum and examination program worldwide and sets voluntary, ethics-based professional and performance-reporting standards for the investment industry. CFA Institute has 75,000 members in 119 countries. Its membership includes the world’s 63,000 CFA charterholders, as well as 131 affiliated professional societies in 52 countries. More information about CFA Institute may be found at www.cfainstitute.org or by calling 1-800-247-8132 or 1-434-951-5499.

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