

# CFA INSTITUTE

## ARTICLES OF INCORPORATION

AMENDED  
17 MAY 2020

(A Virginia Nonstock Corporation)

### ARTICLE 1 – NAME

The name of the corporation is "CFA Institute."

### ARTICLE 2 – PURPOSES

The purposes of CFA Institute are:

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

### ARTICLE 3 – POWERS

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

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

## **ARTICLE 4 – MEMBERS**

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

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

## **ARTICLE 5 – BOARD OF GOVERNORS**

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

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

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

## **ARTICLE 6 – DISSOLUTION**

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

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

## **ARTICLE 7 – LIMIT ON LIABILITY AND INDEMNIFICATION**

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

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

# CFA INSTITUTE BYLAWS

(A Virginia Nonstock Corporation)

AMENDED  
15 JULY 2021

## ARTICLE 1 – NAME, LOCATION, AND CORPORATE SEAL

- 1.1 **Name.** The name of the corporation is "CFA Institute."
- 1.2 **Location.** The principal office of CFA Institute shall be located at such place as the Board of Governors (the "Board") may determine.
- 1.3 **Corporate Seal.** The corporate seal shall consist of a circular die bearing the CFA Institute name and year of incorporation. The form of the seal may be changed by the Board.

## ARTICLE 2 – DEFINITIONS

For purposes of the Articles of Incorporation and Bylaws, the following are defined terms which may be used, as appropriate, in singular or plural form:

- 2.1 **"Acceptable Professional Work Experience"** shall be defined by the Board and shall include those activities related to the professional practices of financial analysis, investment management, securities analysis or other similar activities.
- 2.2 **"Articles"** refers to the Articles of Incorporation of CFA Institute as they may be amended.
- 2.3 **"Board"** is the Board of Governors of CFA Institute.
- 2.4 **"Bylaws"** refers to these Bylaws of CFA Institute as they may be amended.
- 2.5 **"Candidate"** is an individual:
  - a. whose application for registration in the CFA® Program has been accepted by CFA Institute, as evidenced by the issuance of a notice of acceptance, and who is enrolled to sit for a specified examination level ("Exam") in the CFA Program; and
  - b. who has not:
    - i received Exam results;
    - ii voluntarily removed himself or herself from the CFA Program;
    - iii failed to sit for an Exam; or
    - iv otherwise been removed from the CFA Program.
- 2.6 **"CFA Program"** is the Chartered Financial Analyst® (CFA®) study and examination program developed and administered by CFA Institute.
- 2.7 **"Chair"** is the presiding officer of the Board as more particularly described in Section 6.2 of the Bylaws.
- 2.8 **"Code and Standards"** is the CFA Institute Code of Ethics and Standards of Professional Conduct, as they be amended.
- 2.9 **"Covered Person"** is any individual who is: a CFA Institute Charterholder, a Regular or Affiliate Member, a Candidate, a Postponed Candidate, an individual that has passed the Level III® 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 Regular Members, Affiliate Members, and Charterholder Members.
- 2.12 **"Investment Decision-Making Process"** is the professional practice of financial analysis, investment management, securities analysis, or other similar professions.
- 2.13 **"Member's Agreement"** is a document prepared by CFA Institute setting forth member obligations and responsibilities that must be signed by every Individual Member.
- 2.14 **"Past Chair"** is the Regular Member who previously served as the Chair immediately prior to the currently serving Chair.
- 2.15 **"Postponed Candidate"** is an individual who has registered for the CFA Program, but is not a Candidate as defined in the Bylaws.
- 2.16 **"Professional Conduct Statement"** is a form prepared by CFA Institute that must be signed annually and submitted by all Individual Members and Candidates.
- 2.17 **"Rules of Procedure"** are the Rules of Procedure as amended, which govern the procedures to which both CFA Institute and Covered Persons must adhere.

## ARTICLE 3 – MEMBERS AND CANDIDATES

- 3.1 Classes of Members.** The classes of membership in CFA Institute are Regular Members, Affiliate Members, Charterholder Members, and Member Societies.
- 3.2 Regular Members.** Each applicant seeking to become 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 have voting rights in CFA Institute and each shall be entitled to one (1) vote on each matter submitted to the Regular Members. Affiliate Members, Charterholder Members, and Member Societies do not have voting rights in CFA Institute. Candidates and Postponed Candidates are not members of CFA Institute unless otherwise associated with CFA Institute as Regular Members or Affiliate Members.
- 3.7 Resignation.** Any Individual Member may resign from CFA Institute or a Member Society by submitting notice to CFA Institute. CFA Institute shall notify each applicable Member Society of the resignation.

### **3.8 Suspension or Revocation of Membership.**

- a** Individual Members.
  - i** An Individual Member's membership in CFA Institute and in any Member Society may be suspended or revoked at anytime 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 ® (CFA®) designation and the right to vote.
- b** Candidates and Postponed Candidates. Any Candidate or Postponed Candidate may be suspended or removed from the CFA Program for any violation of Section 3.5(a).

### **3.9 Membership List and Member Records.** CFA Institute shall keep a list of the names, business addresses, business affiliations, membership classifications, and other information relating to all CFA Institute members.

### **3.10 Member Societies.**

- a** Requirements for Membership. To organize or admit a Member Society of CFA Institute an application and other requested information must be submitted to CFA Institute and approved by the Board.
- b** Adoption of the Code and Standards.
  - i** Each Member Society shall adopt the Code and Standards and shall provide in its bylaws that its regular members and affiliate members shall be subject to and comply with the Code and Standards.
  - ii** The bylaws of each Member Society shall provide that all authority and responsibility for enforcement of the Code and Standards with respect to regular members and affiliate members of the Member Society are delegated to CFA Institute.
- c** Membership in a Member Society.
  - i** The bylaws of each Member Society shall provide that it may not admit or retain an individual as a regular member who is not a Regular Member of CFA Institute.
  - ii** The bylaws of each Member Society shall provide that all affiliate members of a Member Society shall become Affiliate Members of CFA Institute.
  - iii** Any individual whose membership as a Regular Member or Affiliate Member has been revoked or suspended by CFA Institute may not retain membership in a Member Society while such revocation or suspension is in effect.
  - iv** Except for a uniform sponsorship requirement set forth by CFA Institute, a Member Society shall not impose any requirements on its regular members other than those listed in Section 3.2 of these Bylaws or as required by the Member Society's local laws.
  - v** Each Member Society shall have the right to review all applications for regular membership in the society, as applicable.
  - vi** The Board, or a committee designated by the Board, shall have the authority to make final determinations on the application of membership provisions listed in Section 3.2 of the Bylaws.
- d** Member Society Local Law Exception. If a Member Society's local laws prohibit its bylaws from complying with the requirements of Section 3.10(b) and (c) of these Bylaws, the Member Society shall enter into a legally binding agreement with CFA Institute to satisfy the requirements of this Section.

### **3.11 Termination of Membership.** The membership of any Member Society in CFA Institute may be terminated or suspended by a vote of two-thirds (2/3) of the Governors then serving.

## **ARTICLE 4 – MEETINGS OF THE MEMBERS**

### **4.1 Meetings.**

- a** All meetings of the members shall be held at suitable times and, 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 Governorsthen 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 a Charterholder Member;
  - ii be appointed by the Board to serve at its pleasure;
  - iii be entitled to compensation as approved by the Compensation Committee;
  - iv be the chief executive officer of CFA Institute;
  - v have the power and authority to appoint and remove officers other than the Chair, Vice Chair, Secretary, and Chief Financial Officer;
  - vi have management, supervision and control of, and responsibility for the business of CFA Institute, subject to the direction of the Board; and
  - vii have such other duties and powers as prescribed in the Bylaws, the Articles, by the Board, and by law.
- b It shall be the President's duty, and the President and CFA Institute officers shall have the power, to effectuate all orders and resolutions of the Board.

### **6.5 Secretary and Chief Financial Officer**

- a The Secretary shall:
  - i act as secretary at all Board and member meetings, including maintaining minutes of such meetings;
  - ii maintain the corporate seal and certify the authenticity of Board actions and officer signatures; and
  - iii have such other duties and powers as prescribed in the Bylaws, the Articles, by the Board, and by law.

- b The Chief Financial Officer shall:
    - i oversee the receipt and disbursement of all funds;
    - ii maintain CFA Institute financial records and statements;
    - iii submit an annual financial statement and budget to the Board and such other statements as the Chair may require; and
    - iv have such other duties and powers as prescribed in the Bylaws, the Articles, by the Board, and by law.
- 6.6 Election and Term.**
- a Elected Officers.
    - i The Chair and Vice Chair shall be elected by the Regular Members at each annual meeting of members.
    - ii The Secretary and Chief Financial Officer and such other officers as the Board may determine shall be elected by the Board annually.
    - iii Each elected officer shall serve for a term of one (1) year, commencing on the first day of CFA Institute fiscal year following his or her election and continuing until the election and qualification of his or her successor. Effective 1 September 2021, the Chair and the Vice Chair may serve consecutive terms, up to a maximum of six (6) terms as Chair and two (2) terms as Vice Chair, in each case subject to the election and qualification of his or her successor.
  - b Appointed Officers.
    - i Except for the President who shall be appointed by the Board, all other officers shall be appointed by the Executive Committee or the President.
    - ii Each appointed officer shall serve at the pleasure of the person or group that appointed him or her.
- 6.7 Vacancies.** A vacancy in any office, except as otherwise provided in the Bylaws, may be filled by the Board for all elected officers and the President and by the Executive Committee or President for appointed officers (other than the President) by the appointment of a successor for the unexpired term of the officer whose place is vacant.

## **ARTICLE 7 – COMMITTEES**

### **7.1 Creation and Requirements.**

- a The Board may establish one (1) or more committees to perform such duties as prescribed by the Board, the Articles or the Bylaws, provided that such duties are not prohibited by applicable law.
- b Except as otherwise provided in the Bylaws or required by applicable law, each committee shall act under the supervision and control of the Board or as designated by the Board, to (i) an Oversight Committee or (ii) member(s) of Management for a committee that does not (A) have specific responsibilities pursuant to the Bylaws and/or (B) exercise the authority of the Board.
- c Except as permitted by law and specified in the Bylaws or a resolution of the Board, no committee shall perform any function of corporate power, policy-making, or management.
- d Each committee and subcommittee shall adhere to the same procedural requirements as applicable to the Board for notice of meeting, quorum and voting.

### **7.2 Executive Committee.**

- a Authority and Responsibility. CFA Institute shall have an Executive Committee that shall:
  - i act for the Board 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 one (1) Regular Member who is the Past Chair or other Regular Member serving as a Governor elected by the Board;
  - ii two (2) Regular Members elected by the Board who are serving as a Governor or are in their first year after serving as a Governor;
  - iii one (1) Regular Member that is a Charterholder Member elected by the members of the Education Advisory Committee or elected by the members of the Council of Examiners, each in alternate terms; and
  - iv two (2) Regular Members elected by the Presidents Council Representatives.
- c On an annual basis and commencing no later than 1 September 2020, the Board shall select one of the two (2) members serving on the Nominating Committee pursuant to Article 9.1(b)(ii) to serve as chair of the committee. Until such time as the Board has selected a member serving on the Nominating Committee pursuant to Article 9.1(b)(ii) as chair, the Past Chair shall serve as chair of the committee.
- d Each member of the Nominating Committee other than the Past Chair shall serve a two (2) year term. The terms of the representatives from each constituency in Article 9.1(b)(ii) and (iv) will be staggered as determined by the Board so that (A)the terms of one representative referred to in Article 9.1(b)(ii) and one representative referred to in Article 9.1(b)(iv) shall expire at the end of the CFA Institute fiscal year beginning 1 September 2020 and at the end of every second CFA Institute fiscal year thereafter, and
- 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 all Regular Members, Affiliate Members, Charterholder Members, and Member Societies; and
- e at the Executive Committee's direction, nominate an individual(s) that is not a Regular Member, who in the Nominating Committee's judgment, will cause the Board to have the very best candidate(s) to assist CFA Institute in meeting the purposes set forth in Article (2)(h) and (i) of the CFA Institute Articles.

### 9.3 Solicitations of Nominations. The Nominating Committee shall solicit candidates for each position that the committee is seeking to fill. Solicitation of candidates shall commence promptly after the Nominating Committee has been duly appointed. The names of nominees will be published no later than seventy (70) days prior to the annual meeting of members.

### 9.4 Nominations of Nominating Committee Members. No member of the Nominating Committee, while serving on the committee, may be nominated for a Board or officer position.

### 9.5 Nominations by Members. Any Regular Member may submit additional written nominations for Governors and for the offices of Chair and Vice Chair if:

- a sponsored in writing by at least two percent (2%) of the Regular Members;
- b written consent from the nominee has been obtained; and
- c documents supporting both (a) and (b) are submitted to the Secretary no later than sixty (60) days before the annual meeting.

## ARTICLE 10 – FINANCES

- 10.1 Fiscal Year.** The fiscal year of CFA Institute shall begin on 1 September of each year unless otherwise determined by the Board.
- 10.2 Dues.** CFA Institute shall have the right to establish and collect dues for Members of CFA Institute.
- 10.3 Audit Review.** Financial statements of CFA Institute shall be audited not less than once per year by an independent certified public accountant approved by the Board.

## ARTICLE 11 – STANDARDS AND DISCIPLINARY PROCESS

- 11.1 Standards and Disciplinary Process.** The Standards and Disciplinary Process shall consist of the Professional Conduct Program, the Disciplinary Review Committee, the Standards of Practice Council, and such other programs and committees as established by CFA Institute or the Board.
- 11.2 Professional Conduct Program.** CFA Institute shall have a Professional Conduct Program that may investigate and conduct disciplinary proceedings in connection with the professional conduct of Covered Persons as set forth in the Rules of Procedure.
- 11.3 Disciplinary Sanctions and Grounds 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.
- 11.4 Standards and Disciplinary Process Committees.**
- a The Board shall establish such committees, including a Disciplinary Review Committee and a Standards of Practice Council, as it deems reasonably necessary.
  - b Except as otherwise specified, each committee created under this section shall function in accordance with Article 7 of the Bylaws.
  - c The chair and members of each committee shall be selected in accordance with Section 7.4 of the Bylaws.

## ARTICLE 12 – AMENDMENT OF THE BYLAWS

- 12.1 Amendments by the Board.** The following articles and sections of the Bylaws may be amended by the Board upon two-thirds (2/3) affirmative vote of the Governors then serving: Section 2.8, 2.9, 2.16, 2.17 and Articles 5, 6, 7, 10 and 11.
- 12.2 Amendments by the Members.** In addition to amendments by the Board under Section 12.1:
- a any amendment of any article or section of the Bylaws may be approved by the Board for submission to the Regular Members at any meeting of the members or a proposed amendment of any article or section of the Bylaws sponsored by at least two percent (2%) of the Regular Members shall be submitted to the Regular Members at the next duly called meeting of members if such amendment is submitted in writing by the sponsors to the Secretary at least forty-five (45) days prior to such meeting; and
  - b an amendment to the Bylaws shall be adopted when approved by the affirmative vote of a majority of the votes entitled to be cast by the Regular Members present or represented by proxy at a duly held meeting at which a quorum is present, unless a greater majority is required in the Articles.