

CFA SOCIETY OF SACRAMENTO BYLAWS

ARTICLE 1 – FORMATION

- 1.1 **Name.** The name of the corporation is the "CFA Society of Sacramento" (herein referred to as the "Society").
- 1.2 **Location.** The principal office of the Society shall be located at such place as the Board of Directors may determine from time to time.
- 1.3 **Membership in CFA Institute.** This Society is a Member of CFA Institute.
- 1.4 **Purpose.** The specific purposes of the Society are: to advance and improve all aspects of the professional practices of financial analysis, investment management, securities analysis, and other similar professions; to promote high standards of competence and sound professional standards and ethics as embodied by the CFA designation; to promote a public awareness and understanding of the activities and functions of the profession; to sponsor programs to further the exchange of investment ideas and information; and to engage in such other activities as may contribute to education and professional development for those in the profession.
- 1.5 **Restrictions.** All policies and activities of the Society shall be consistent with applicable federal, state, and local antitrust, trade regulation laws, and other legal requirements, including the California Nonprofit Corporation Law under which the Society is organized and operated, and applicable tax-exemption requirements

ARTICLE 2 - MEMBERSHIP

- 2.1 **Classes of Members.** There shall be three classes of members of the Society: Regular, Affiliate, and Retired.
- 2.2 **Regular Member.** To become a Regular Member of the Society, an individual shall be a Regular Member of CFA Institute and shall fulfill the following additional requirements:
 - (a) Be accepted as an Regular Member of CFA Institute;
 - (b) Be sponsored by one supervisor or one AIMR member;
- 2.3 **Affiliate Member.** To become an Affiliate Member of the Society, an individual shall:

- (a) Be accepted as an Affiliate Member of CFA Institute;
- (b) Have passed Level I of the CFA Program or a self-administered standards of professional practice examination in a format established and approved by the CFA Institute Board of Governors; and

2.4 Retired Member. A member may become a Retired Member of the Society if the member:

- (a) Has been a Regular Member or Affiliate Member of CFA Institute for five years;
- (b) Is no longer substantially engaged in the professional practice of financial analysis, investment management, securities analysis, or other similar profession for compensation;
- (c) Completes an application provided by the Society; and

2.5 Member Responsibilities.

- (a) Each Regular Member and Affiliate Member of the Society shall:
 - (i) Adhere to all applicable rules and regulations of the Society and of CFA Institute, including but not limited to their Articles of Incorporation, their Bylaws, the Code and Standards, and other rules relating to professional conduct and membership, all of which may be amended from time to time;
 - (ii) Be subject to the disciplinary jurisdiction and sanctions of the Society and CFA Institute;
 - (iii) Submit information relating to professional conduct and activities as the Society or CFA Institute may request;
 - (iv) Produce documents, testify, and otherwise cooperate in disciplinary proceedings of CFA Institute and adhere to such other applicable requirements as set forth from time to time by CFA Institute and the Society; and
 - (v) Maintain membership In Good Standing with CFA Institute.

2.6 Application for Membership. Any individual applying to become a Regular Member or an Affiliate Member of the Society shall file with CFA Institute and the Society an application for membership, along with additional information or documents as required by CFA Institute and the Society. The Board of Directors shall have the right to review all applications for membership in the Society. In the event of disagreement concerning administration or interpretation of CFA

- Institute's requirements of Regular Members and Affiliate Members, the Society shall have the right to appeal to the CFA Institute Board of Governors. The CFA Institute Board of Governors, or a designated committee thereof, shall have the authority to make final determinations on the application of membership provisions. Any individual applying for another class of membership shall follow such procedures, as the Board shall establish from time to time.
- 2.7 Voting Rights.** Regular Members In Good Standing have voting rights in the Society and each Regular Member In Good Standing shall be entitled to one (1) vote on each matter submitted to the Regular Members. Affiliate Members and other members do not have voting rights in the Society.
- 2.8 Dues.** Any member who fails to pay annual Society membership dues in full shall be automatically suspended from membership in the Society. When payment is made in full, such member shall be automatically reinstated, subject to the Bylaws.
- 2.9 Resignation.** Any member may at any time cease to be a member of the Society by submitting a notice of resignation to the Society President or Secretary. Such resignation shall be effective on receipt, or the date specified, and acceptance thereof shall not be necessary to make it effective unless it so states. The Society shall notify CFA Institute of the resignation of any Regular Member or Affiliate Member from the Society.
- 2.10 Suspension or Revocation of Membership.** One's membership in the Society may be suspended or revoked at any time for any violation of Section 3.4. In the case of Regular Member and Affiliate Members, membership in the Society shall be suspended or revoked if his membership in CFA Institute is suspended or revoked. A member whose membership is revoked or suspended shall not be entitled to any rights or privileges of membership.
- 2.11 Membership List and Member Records.** The Society shall keep a list of the names, business addresses, business affiliations, and membership classifications of all Society members and such other records and information relating thereto as the Board shall determine. The Society shall provide to CFA Institute such information as CFA Institute may request and that relates to CFA Institute's activities or to membership in CFA Institute.

ARTICLE 3 - MEETINGS OF THE MEMBERS

- 3.1 Meetings.**
- (a) All meetings of the members shall be held at a suitable time and place within or without the jurisdiction, as determined by the Board.

- (b) There shall be a formal annual communication to the members.
- (c) Special meetings of the members shall be called:
 - (i) By the Board of Directors or the President; or
 - (ii) By the Secretary, on receipt of a written petition signed by one-twentieth (1/20) of the Regular Members In Good Standing.
- (d) Only business within the purpose or purposes described in the meeting notice shall be conducted at a special meeting.

3.2 Notice.

- (a) Written notice of meetings shall:
 - (i) State the date, time, and place 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 telegraph, facsimile, electronic mail, or other reliable printed or printable communication to each Regular Member In Good Standing to the address, as it appears on the Society membership records, not less than ten (10) or 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 the Regular Member objects to considering the matter when it is presented.

3.3 Quorum. At any meeting of the members, ten percent (10%) of all Regular Members In Good Standing 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 President may adjourn the meeting to a fixed time and place determined by the President or Secretary.

3.4 Voting.

- (a) Each Regular Member In Good Standing 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 applicable 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 of Incorporation, or applicable law.

3.5 Action by Members by Written Ballot

- (a) Any action, which may be taken at any regular or special meeting of Members may be taken without a meeting if, under the direction of the Board, a written ballot is distributed to every Member entitled to vote on the matter. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot.
- (b) Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

ARTICLE 4 - BOARD OF DIRECTORS

4.1 Authority and Responsibility. All corporate powers shall be exercised by or under the authority of, and the business of the Society managed under the direction of, the Board, subject to the Bylaws, the Articles of Incorporation, and applicable law.

4.2 Composition and Qualification.

- (a) The number of Directors shall be determined by the Board and adjusted accordingly from time to time.
- (b) Only Members In Good Standing are eligible for election and service as a Director.

4.3 Terms and Elections.

- (a) Directors shall be elected by vote of the Regular Members In Good Standing at the annual meeting of members for a term of one (1) year commencing July 1 next following the date of the annual meeting of members and until their successors are chosen and qualified.

4.4 Vacancies. A Director's vacancy for any reason may be filled by the Board by

the appointment of a successor for the unexpired term of the Director whose place is vacant.

4.5 Meetings.

- (a) Meetings of the Board shall be called by:
 - (i) The Board;
 - (ii) The Chair; or
 - (iii) The Secretary, on the written request of a majority of the Directors.
- (b) The date, time, and place of the Board meetings shall be designated by the Board, Chair, or Secretary.

4.6 Notice.

- (a) Regular meetings of the Board shall be held, with or without notice, at such dates, times, and places as the Board may determine by vote.
- (b) Written notice shall, when required, be sent by the Secretary and shall:
 - (i) State the date, time, and place of the meeting; and
 - (ii) Be delivered, mailed, or expressed to each Director at least fifteen (15) days before the meeting date or be given by telephone, telegraph, facsimile, electronic mail, 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 Director who attends a meeting in person or through the use of any means of communication by which all Directors may simultaneously hear each other during the meeting shall be deemed to have had timely and proper notice of the meeting.

4.7 Quorum. Except as otherwise provided in the Bylaws or by law, at any meeting of the Board, a majority of the Directors then serving who are present in person or through the use of any means of communication by which all Directors may simultaneously hear each other during the meeting shall constitute a quorum.

4.8 Voting.

- (a) Each Director shall be entitled to one (1) vote, which shall not be voted by proxy.
- (b) The act of a majority of the Directors 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 of Incorporation, or by law.

ARTICLE 5 – OFFICERS

5.1 Number, Designation, and Qualifications.

- (a) The officers of the Society shall be a President, Treasurer, and Secretary, and such other officers as the Board may determine.
- (b) Only Members In Good Standing may serve as an officer of the Society.
- (c) A person may hold more than one office at the same time provided that the President and Secretary may not be the same person.

5.2 Election and Term.

- (a) Elected Officers.
 - (i) The officers shall be elected by the Regular Members In Good Standing at each annual meeting of members.
 - (ii) Each elected officer shall serve for a term of one (1) year, commencing on July 1 following his or her election and continuing until the choosing and qualification of his or her successor.
- (b) Appointed Officers. Officer positions other than those listed in Sections 6.1 immediately above may be appointed by the Board at any time and shall hold office for such term as the Board may determine.

5.3 Vacancies. A vacancy in any office, except as otherwise provided in the Bylaws, may be filled by the Board for the unexpired term of the officer whose place is vacant and until a successor is elected or appointed.

ARTICLE 6 - COMMITTEES

6.1 Creation and Requirements.

- (a) The Board may establish one (1) or more committees to perform such duties as prescribed by the Board, the Articles of Incorporation, or the Bylaws, provided

that such duties are not prohibited by applicable law.

- (b) Except as otherwise provided in the Bylaws, each committee shall act under the supervision and control of the Board and the Board shall have the authority to remove any chair or member of a committee.
- (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.

ARTICLE 7 – FINANCES

- 7.1 Fiscal Year.** The fiscal year of the Society shall begin on July 1 of each year, unless otherwise determined by the Board.
- 7.2 Dues.** The Board shall establish, and may change, dues for members of the Society. For Regular Members and Affiliate Members, Society dues shall be in addition to, and not in lieu of, CFA Institute dues. Such dues may be set at levels and for classification of members as determined by the Board.
- 7.3** Pursuant to an agreement between the Society and CFA Institute, CFA Institute will bill and collect membership dues for the Society.

ARTICLE 8 - PROFESSIONAL CONDUCT

- 8.1 Adoption.** The Society adopts the CFA Institute Code and Standards, which are incorporated by reference. All Regular Members and Affiliate Members must comply with the provisions thereof.
- 8.2 Enforcement.** The Society and its Board:
 - (a) Delegate to CFA Institute all authority and responsibility for enforcement of the Code and Standards with respect to all Regular Members and Affiliate Members of the Society; and
 - (b) Shall report to CFA Institute any violations of the Code and Standards that come to the Society's attention.
- 8.3 Charges.** Any person may, in writing, address the Society or an officer or Director thereof concerning a charge or charges of breach of the Code and Standards by a member. The Board shall promptly forward all such complaints to

the CFA Institute Professional Conduct Program. The complainant may request that the complaint remain sealed until it is received by CFA Institute.

ARTICLE 9 – AMENDMENT OF THE BYLAWS

9.1 Amendment of Bylaws. These Bylaws may be amended by the Board, provided that certain amendments to the Bylaws specified in the California Nonprofit Corporation Law, including those that materially and adversely affect the rights of members or change the authorized number of Directors, must be approved by the members.

ARTICLE 10 – INDEMNIFICATION AND INSURANCE

10.1 Indemnity. To the fullest extent permitted by the law, the Society shall defend, indemnify, and hold harmless any agent against any claim arising out of any alleged or actual action or inaction in the performance of duties performed in good faith on the Society's behalf. "Agent" for this purpose shall include representatives, Directors, officers, and employees.

10.2 Insurance. The Society may purchase and maintain insurance to the full extent permitted by the law on behalf of its agents against any liability asserted against or incurred by the agent in such capacity arising out of the agent's status as such.

ARTICLE 11 - DISSOLUTION

11.1 Procedure.

- (a) The Society may be dissolved by a three-quarter vote of the Regular Members.
- (b) In the event of the liquidation or dissolution of the Society:
 - (i) No member shall be entitled to any distribution or division of its property or its proceeds; and
 - (ii) All funds and property of the Society shall be transferred to or applied for the benefit of one or more not-for-profit corporations or organizations, as then defined by the tax laws to which the Society must adhere, as selected by the Board, and by any court that may exercise jurisdiction over such liquidation or dissolution, if any.

ARTICLE 12 – CODE OF ETHICS AND STANDARDS OF PROFESSIONAL CONDUCT

11.1 Adoption and Amendment.

The Society hereby adopts the Code and Standards, and as they may be amended from time to time. Regular, Affiliate, and Retired members of the Society shall comply with the provisions of the Code and Standards.

12.2 Enforcement.

The Society hereby delegates to CFAI all authority and responsibility for enforcement of the Code and Standards with respect to the Regular, Affiliate, and Retired members of the Society and shall report to CFAI any violations of the Code and Standards that come to the Society's attention. The Membership in the Society (whether Regular, Affiliate, or Retired) of a person whose individual membership in CFAI as Regular or Affiliate has been revoked or suspended by CFAI as a Regular, Affiliate, or Retired member shall be automatically revoked or suspended, as applicable. Any person whose membership in the Society has been revoked or suspended shall automatically cease to hold any position in the Society.