

**CFA SOCIETY OF AUSTIN
BYLAWS**

**ARTICLE I
Formation and Purpose**

- 1.1 Name.** Incorporated in Austin, Texas as of the 3rd day of July, 1970, the name of the corporation is "CFA Society of Austin" (herein referred to as the "Society").
- 1.2 Principal Office.** The principal office of the Society shall be at the place set forth in the Articles of Incorporation or Charter (herein referred to as the "Charter") or in a certificate filed with the State. The Society Board of Directors (herein, the "Board") may change the location of the principal office and establish such other offices as it deems appropriate.
- 1.3 Corporate Seal.** The Board shall have power to adopt and alter the seal of the Society.
- 1.4 Purpose.** The purposes of the Society are as set forth in the Charter.
- 1.5 Fiscal Year.** The fiscal year of the Society shall, unless otherwise determined by the Board, end on June 30.
- 1.6 Relationship with CFA Institute and other Member Societies.** The Society is a member ("member society") of CFA Institute. As a Member Society, the Society (a) adheres to the CFA Institute Articles and Bylaws; (b) works to enhance and build upon the principles and standards established by CFA Institute; (c) participates in various functions with other Member Societies; and (d) comprises qualifying individuals, each of whom is a member of the Society and CFA Institute, as detailed herein. To the extent that there is any conflict between the Bylaws of the Society and the Bylaws of CFA Institute, those of CFA Institute shall take precedence and shall govern.

**ARTICLE II
Definitions**

The following are defined terms that may be used herein, as appropriate, in the singular or plural form:

- 2.1 "Acceptable Professional Work Experience"** relates to applicants seeking to become Members. In determining Acceptable Professional Work Experience, the Society shall use the CFA Institute "Guidelines for Determining Acceptable Professional Work Experience," as amended from time to time by CFA Institute.
- 2.2 "Affiliate Member"** is an individual who has met the membership requirements set forth in the Society Bylaws and whose membership has not been revoked or suspended.
- 2.3 "Board"** is the Board of Directors of the Society.

- 2.4 **“Bylaws”** refers to the Bylaws of the Society as they may be amended from time to time.
- 2.5 **“CFA Institute”** is a Virginia non-stock corporation.
- 2.6 **“CFA Program”** is the Chartered Financial Analyst (CFA[®]) study and examination program developed and administered by CFA Institute.
- 2.7 **“Chartered Financial Analyst[®]”** and **“CFA[®]”** are marks of CFA Institute that members authorized by CFA Institute may use as a professional designation.
- 2.8 **“Code and Standards”** is the *Code of Ethics and Standards of Professional Conduct*, as amended periodically by CFA Institute.
- 2.9 **“In Good Standing”** refers to a member who has paid all applicable CFA Institute dues in full, has submitted a Professional Conduct Statement to CFA Institute, and is not currently the subject of a Formal Proceeding or Disciplinary Sanction, as provided in the CFA Institute Bylaws.
- 2.10 **“Investment Decision-Making Process”** is the professional practice of financial analysis, investment management, security analysis, or other similar professions.
- 2.11 **“Member’s Agreement”** is a document prepared by CFA Institute setting forth obligations and responsibilities that must be signed annually by every Regular Member and Affiliate Member.
- 2.12 **“Professional Conduct Statement”** is a form prepared by CFA Institute inquiring into a member’s conduct that must be signed and submitted on an annual basis by each member except those members excused under the CFA Institute Bylaws on or before a date designated by CFA Institute.
- 2.13 **“Regular Member”** is an individual who has met the membership requirements set forth in the Society Bylaws and whose membership has not been revoked or suspended.

ARTICLE III **Membership**

- 3.1 **Classes of Membership.** The Society has two classes of Members: Regular and Affiliate.
- 3.2 **Requirements for Becoming a Regular Member.** To become a Regular Member of the Society, an individual shall be a Regular Member of CFA Institute and shall fulfill such other requirements as the Society may impose consistent with the requirements established by CFA Institute.
- 3.3 **Requirements for Becoming an Affiliate Member.** To become an Affiliate Member of the Society, an individual shall:

- (a) qualify as, and upon becoming an Affiliate Member of the Society be accepted as, an Affiliate Member of CFA Institute, and
- (b) have one year of Acceptable Professional Work Experience, or have passed Level I of the CFA Program, and
- (c) sign and submit a Member's Agreement, a Professional Conduct Statement, and any additional documentation as requested by CFA Institute.

3.4 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 members. Affiliate Members and Regular Members who have retired status do not have voting rights in the Society.

3.5 Review of Applications for Membership. The Board shall have the right to review all applications for membership in the Society. In the event of disagreement concerning administration of Regular membership requirements, the Society shall have the right to appeal to the CFA Institute Board of Governors. The Board of Governors, or a designated committee thereof, shall have the authority to make final determinations on the application of Regular membership provisions.

3.6 Membership in CFA Institute. Each Regular Member of the Society is also a regular member of CFA Institute. Each Affiliate Member of the Society is also an affiliate member of CFA Institute.

3.7 Maintaining Membership Status. To continue being a Member, each such individual shall

- (a) adhere to all applicable rules and regulations, including the Society Bylaws, the CFA Institute Articles & Bylaws, the Code & Standards, and other rules relating to professional conduct;
- (b) annually file a Professional Conduct Statement, unless excused as a recognized "Retired" Member (see below); and
- (c) pay membership dues.

3.8 Retired Member Status. Within the Regular Member and Affiliate Member Classes of membership, a retired status will be available. Members with a retired status may be granted a reduction in Society dues as determined by the Board. A Member may assume retired status if he or she:

- (a) has been a member of CFA Institute for five years;
- (c) is not currently engaged in professional activities which qualify as Acceptable

Professional Work Experience; and

(d) completes an application provided by the CFA Institute and approved by the Society.

3.9 Membership List and Member Records. CFA Society of Austin uses and relies upon the member lists and records maintained by the CFA Institute and available to the Board. The Membership Chair shall coordinate with CFA Institute to process final review and approval of all new CFA Society of Austin members. The Society will exercise reasonable care in maintaining confidentiality of member records.

3.10 Resignation. Any Member of the Society may at any time cease to be a Member by submitting a resignation in writing to the Society President or Secretary. Such resignation shall be effective upon receipt, or the date specified, and acceptance thereof shall not be necessary to make it effective unless it so states.

(a) The Society shall promptly notify CFA Institute of any Member resignations, or if the Member notifies CFA Institute directly, CFA Institute will notify the Society.

3.11 Dues. The annual membership dues for Members of the Society shall be determined by the Board.

(a) Each Member owes annual dues based on classification of membership (i.e., Regular or Affiliate). In addition to the dues set by the Society, CFA Institute shall have the right to set and collect dues for each Member's membership in CFA Institute and, if applicable, as a Charterholder.

(b) Any Member who has failed to pay the annual dues shall be automatically suspended from membership, without the necessity of any action by the Society or CFA Institute, until payment is made, at which time such Member shall thereupon be reinstated, subject to these Bylaws.

(c) Pursuant to an agreement between the Society and CFA Institute, CFA Institute will bill and collect membership dues for the Society.

ARTICLE IV **Meetings of Members**

4.1 Meetings. All meetings of Members shall be held at a suitable time and place within or without the state, as determined by the Board.

4.2 Annual Meeting. There shall be an "Annual Meeting" of the Members that shall be held during the last two months of the Society's fiscal year, as determined by the Board.

4.3 Special Meetings. Special meetings of the Members may be called (a) by the President; or (b) by the Secretary, upon written application by a majority of the Board, or in case of the death, absence, incapacity or refusal of the Secretary, by another Officer.

- (a) The call and the written application shall state the purpose for which the proposed meeting is to be held.

4.4 Notice of Meeting. A written notice of each meeting of Members containing the place, date, hour, and the purposes for which it is to be held, shall be given to each Regular Member and non-voting member by the Program Chairperson, Secretary or, in case of the death, absence, incapacity, or refusal of the Secretary, by any other officer, at least ten (10) days before the meeting by e-mailing such notice to the preferred e-mail address listed in the records maintained by the CFA Institute. Notice of a meeting need not be given to a Member if a written waiver of notice, executed before or after the meeting by such Member or an authorized attorney, is filed with the records of the meeting.

4.5 Omission of Notice. The accidental omission to give notice, or the failure by any person entitled thereto to receive notice thereof, shall not invalidate the proceedings at any meeting.

4.6 Quorum. At any meeting of the Members, the lesser of 20 percent of the Voting Members or 50 Voting Members, present in person or represented by proxy, shall constitute a quorum. Though less than a quorum be present, any meeting of the Members of the Society may without further notice to any Member be adjourned to a different time and place. At any adjourned meeting at which a quorum shall be present, any business may be transacted that could have been transacted at the original meeting. When a quorum is present at any meeting, a majority of the Regular Members present in person or represented by proxy shall decide any question brought before such meeting unless otherwise provided herein, by Charter, or by law.

4.7 Voting and Proxies.

- (a) Each Voting Member shall have one vote to be exercised in person or by proxy. Affiliate Members do not have voting rights in the Society.
- (b) Proxies must be in writing and filed with the Secretary before being counted. The person named in a proxy may vote at any adjournment of the meeting for which the proxy was given, but the proxy shall terminate after final adjournment of the meeting. No proxy dated more than six (6) months before the meeting named in it shall be valid.

4.8 Presiding and Recording Officers. The President shall preside at meetings of Members. At any meeting where society issues are voted, the Secretary shall act as secretary of the meetings, and in the Secretary's absence, a temporary secretary shall be chosen by the President.

4.9 Action by Consent. Any action to be taken by the Members may be taken without a meeting upon unanimous vote of all Members entitled to vote on the matter consenting in writing to the action. The Secretary shall file the written consent with the records of the meeting of the Members. Such consent shall be treated for all purposes as a vote at a

meeting of the Members at which a quorum was present and voting.

ARTICLE V
Board of Directors

- 5.1 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 this set of Bylaws, the Charter, and applicable law.
- 5.2 Composition.** The Board shall consist of a minimum of seven (7) elected Directors and maximum of one (1) elected Director member per twenty (20) Society members.
- (a) Society Directors shall include four (4) Officer positions: President, Vice President, Treasurer, and Secretary. As many 'At Large' Board positions shall be filled as warranted by the Board and meets the composition requirements of the Bylaws.
- 5.3 Qualification.**
- (a) Any Member in good standing may serve as a Director in an 'At Large' position.
- (b) To qualify for an Officer position, a Member must be a Charterholder and a Member in good standing of the Society.
- 5.4 Election and Term.**
- (a) The President, Vice President, Treasurer, and Secretary shall each serve one (1) year in their respective Officer position.
- (b) The Directors shall be elected by the Members of the Society entitled to vote at the Annual Meeting. At Large directors shall be elected to a term of two (2) years and Officers elected to a term of (1) year commencing July 1 next following the date of the Annual Meeting of members and until their successors are chosen and qualified.
- (c) Directors may stand for re-election at the end of their term. Those electing to stand for re-election must inform the Governance Committee whether they intend to stand for election as either an Officer or as an At Large Director.

5.5 Meetings and Notice.

- (a) Meetings of the Board may be held as determined by the Board or the President.
- (b) The annual and regular meetings of the Board may be held without call or notice at any time and place determined by the Board, provided that any Director who is absent when such determination is made shall be given written notice by the Secretary of the time and place of such meetings.
- (c) Special meetings of the Board may be called by the President or a majority of the Directors then in office. Written notice of any special meeting shall be given by the Secretary to each Director. Notice shall be delivered by any reliable means from which a hard copy of the notice can be, or is, printed twenty-four (24) hours before such meeting.
- (d) A notice or waiver of notice of any meeting of the Board need not specify the purposes of the meeting.

5.6 Presiding and Recording Directors. The President shall preside at meetings of the Board. The Secretary shall act as secretary of the meetings, and in the Secretary's absence, a temporary secretary shall be chosen by the President.

5.7 Quorum and Voting.

- (a) Each Director, including ex officio Directors, shall have one vote that may only be exercised in person.
- (b) A majority of Directors in office shall constitute a quorum at any meeting of the Board.
- (c) If a quorum is present at a meeting, a majority of the Directors present may decide any questions, unless otherwise provided herein, by Charter, or by law.

5.8 Vacancies. A vacancy on the Board may be filled by the remaining Directors then in office by the appointment of a successor to hold office for the unexpired term of the Director whose place is vacant and until a successor is elected at the next regularly scheduled election.

5.9 Resignation. Any Director may at any time resign by delivering his or her resignation in writing to the Society at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt or the date specified, and acceptance thereof shall not be necessary to make it effective unless it so states.

5.10 Removal. Any Director may be removed at any time with or without cause at any meeting of the Members by a vote of a majority of the Society's Voting Members at a meeting at which a quorum is present.

5.11 Action by Consent.

- (a) Any action to be taken by the Directors may be taken without a meeting if all of the Directors entitled to vote on the matter consent in writing to the action.
- (b) The Secretary shall file the written consent with the records of the meetings of the Directors.
- (c) The consent shall be treated for all purposes as a vote at a meeting of the Board at which a quorum was present and voting.

ARTICLE VI

Officers

6.1 Designation.

- (a) The Officers of the Society shall consist of a President, Vice-President, Treasurer, Secretary, and such other Officers as the Board may from time to time appoint.

6.2 Qualification. Only Regular Members of the Society who are also Charterholders may serve as Officers.

6.3 Election and Appointment.

- (a) The President, Vice-President, Treasurer and Secretary shall
 - (i) be presented for election by the Governance Committee
 - (ii) be elected by the Voting Members at the Annual Meeting of Members;
 - (ii) hold an Officer position for one year commencing on July 1 next following the date of their election and until their respective successors are elected or appointed.
- (b) Officer positions other than those listed in Sections 6.3 immediately above may be appointed by the Board at any time and shall hold office for such term as the Board may determine.

6.4 President. The President shall be the chief executive officer of the Society and, subject to the direction of the Board, shall

- (a) exercise general supervision and control of the affairs of the Society;
- (b) preside as "Chair" at all meetings of the Members and Board;
- (c) have such further powers and duties as the Board shall determine.

6.5 Vice-President. The Vice-President shall

- (a) have such powers and perform such duties as may be determined by the Board;

- (b) exercise all powers and duties of the President during the President's absence or in the event of the President's inability to act; and
- (c) become president of the Society in the event of the President's death or resignation and shall serve for the remainder of the President's term, and until a successor is elected.

6.6 Treasurer. The Treasurer shall

- (a) maintain general charge of the financial affairs of the Society, subject to the direction of the Board;
- (b) keep full and accurate records thereof, which shall always be open to the inspection of the Audit Committee, President or any Director;
- (c) submit an annual financial statement and such other statements as the Board may require; and
- (d) render to the Board, at regular meetings thereof or whenever they may require it, a statement of the accounts of transactions as Treasurer and the financial condition of the Society.

6.7 Secretary. The Secretary shall

- (a) record and maintain records of the proceedings of all meetings of the Members and of the Board in books kept for that purpose;
- (b) notify the Members of all monthly meetings in accordance with the Bylaws;
- (c) keep all the records of the Society not kept by the Treasurer; and
- (d) perform such other functions as determined by the Board.

6.8 Delegation of Power.

In the case of the absence or disability of any officer of the Society, or for any other reason deemed sufficient by the Board, the Board may, by vote of a majority of the Directors in office, delegate such officer's power or duties to any other officer or Director or may declare the office vacant.

6.9 Vacancies. A vacancy in any office 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.

6.10 Resignation.

Any officer may at any time resign his or her office by delivering a resignation in writing

to the Society at its principal office or to another officer. Such resignation shall be effective upon receipt, or the date specified, and acceptance thereof shall not be necessary to make it effective unless it so states.

- 6.11 Removal.** Officers elected or appointed by the Board may be removed from their respective offices with or without cause by vote of a majority of the Directors then in office.

ARTICLE VII **Committees**

7.1 Creation, Appointment, and Composition.

- (a) The Board may create committees that may, as determined by the Board,
 - i. contain any number of Members; and
 - ii. exercise powers conferred upon the same by the Board, unless otherwise provided herein, by Charter, or by law.
- (b) The President shall designate the chair of any committee from among the committee Members and, unless otherwise appointed as a Member thereof, automatically be an ex officio, nonvoting member of each committee.
- (c) Any committee to which powers of the Board are delegated, including the Governance Committee and Audit Committee, shall be composed solely of Directors.
- (d) All members of committees shall hold office until July 1 in the year next following the appointment or election, unless otherwise determined by the Board.

7.2 Governance Committee.

- (a) The chairman of the board will appoint annually a minimum of four (4) and a maximum of up to five (5) members to serve on the Governance committee.
- (b) The Governance Committee shall
 - i. assess the size and composition of the Board of Directors in light of the operating requirements of the society.
 - ii. develop membership qualifications for the Board of Directors and for Executive Officers of the society.
 - iii. develop qualifications for both chairmanship and membership of society Board committees, including defining specific criteria for independence and committee membership.

- iv. nominate board members to serve as Executive Officers of the society
- v. annually review and recommend Directors for continued service as required based on the evolving needs of the society.
- vi. monitor compliance with Board of Director and Board Committee membership criteria.
- vii. lead the Board of Directors in an annual self evaluation process, a report of which will become the permanent record of the organization.

7.3 Audit Committee

- (a) The chairman of the board will appoint annually a minimum of four (4) members to serve on the Audit committee.
- (b) The Audit Committee shall
 - i. ensure that the society's financial statements are transparent, properly maintained and organized.
 - ii. assist the Board of Directors in fulfilling its oversight responsibility with respect to the society's maintenance of an effective internal audit function. This includes financial management controls and procedures.
 - iii. ensure the preparation of appropriate financial and other reports required by the Internal Revenue Service, the State of Texas, and other agencies and organizations requiring such reports.
 - iv. assist the Board of Directors with monitoring financial risk exposures
 - v. assist the Board of Directors with developing and monitoring compliance procedures required by the Internal Revenue Service, the State of Texas, and other applicable agencies and organizations.
 - vi. oversee an external financial audit if required.

ARTICLE VIII
Professional Conduct

8.1 Adoption.

- (a) As a member society of CFA Institute, the Society has adopted the CFA Institute Code & Standards and requires that its Members comply with the provisions thereof.

8.2 Enforcement.

- (a) The Society and its Board
- i. delegate to CFA Institute all authority and responsibility for enforcement of the Code & Standards with respect to all Members of the Society; and
 - ii. shall report to CFA Institute any violations of the Code & Standards that come to the Society's attention.
- (b) The membership of an individual in CFA Institute that has been suspended or revoked shall
- i. as applicable, be automatically suspended or revoked from membership in the Society; and
 - ii. if applicable, cease to hold any position in the Society.

8.3 Compliance and Support.

By accepting membership in the Society, and as a condition for continued membership thereof, each Member subscribes to, and shall comply with, the Code & Standards. Failure to comply is cause for disciplinary action by CFA Institute pursuant to the Rules of Procedure.

8.4 Annual Statement.

Each Member shall (a) unless otherwise excused pursuant to the CFA Institute bylaws, annually complete and return a Professional Conduct Statement to CFA Institute; and (b) furnish such additional information relating to professional conduct as may be requested by CFA Institute. At the request of CFA Institute, the Society will collect Professional Conduct Statements from its Members and will forward such statements to CFA Institute.

8.5 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 & 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 IX **Indemnification**

9.1 Indemnity The Society shall indemnify applicable persons to the full extent provided by applicable law.

ARTICLE X **Amendments**

10.1 Power to Amend. The Bylaws of the Society may be amended as provided in Sections 2 and 3 below.

10.2 Proposal for Amendment.

- (a) A proposed amendment of the Bylaws shall be sponsored by at least five (5) Directors or by unanimous consent by the Governance Committee and shall be submitted to the Secretary at least seven (7) days before the next meeting of the Board. The Secretary shall forward the proposed amendment to all Directors at least three (3) days before the meeting.

10.3 Adoption of Amendment.

- (a) A proposed amendment shall be adopted upon vote by two-thirds of all Directors then in office.
- (b) Subject to the Charter and applicable law, amendments to the CFA Institute Bylaws approved by the CFA Institute membership that necessitate amendment of the Society Bylaws shall be implemented by the Board without submission to the Members for approval pursuant to the requirements of Article I, Section 6(a) herein.

ARTICLE XI **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. The organization(s) shall be approved by a majority of the Directors and by any court that may exercise jurisdiction over such liquidation or dissolution, if any.