

# BYLAWS

## CFA SOCIETY OF SACRAMENTO

Amended 16 December 2021

### ARTICLE 1

#### Name, Principal Office, Purpose and Restrictions

- 1.01 Name.** The name of the corporation is CFA Society of Sacramento, a California nonprofit corporation (herein referred to as the “Society”).
- 1.02 Principal Office.** The Board of Directors shall determine the location of the principal office of the Society.
- 1.03 Membership in CFA Institute.** The Society is a Member Society of CFA Institute.
- 1.04 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.
- 1.05 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.
- 1.06 Fiscal Year.** The fiscal year of the Society shall be from September 1 to August 31.

## ARTICLE 2

### Membership

- 2.01 Classes of Members.** There shall be five classes of members of the Society: Regular, Affiliate, Associate, Retired, and Guest.
- 2.02 Definition of Regular Members, Affiliate Members, and Retired Members.**
- (a) **Regular Members** are individuals who have met the membership requirements set forth in the Section 2.03 below and whose membership has not been revoked or suspended.
  - (b) **Affiliate Members** are individuals who have met the membership requirements set forth in the Section 2.05 below and whose membership has not been revoked or suspended.
  - (c) **Associate Members:** are persons who are currently enrolled in an accredited academic institution or who have successfully fulfilled the requirements to obtain the Claritas certificate. To become an Associate Member, an individual shall fulfill the sponsorship requirements as outlined in Section 2.08. The requirements for Associate Membership also include a signed Member's Agreement and Member's Professional Conduct statement which attest that the member has read the CFA Institute Code of Ethics and Standards of Professional Conduct (Code and Standards), has agreed to abide by the Code and Standards, and has disclosed fully all prior disciplinary and related history and pending regulatory or other proceedings relating to this conduct. With the exception of voting rights, Associate members shall have the same privileges as Regular Members of the Society.
  - (d) **Retired Members** are persons who have been granted Retired Membership status with the CFA Institute, continue to comply with the requirements to maintain this standing with the CFA Institute, and meet the requirements outlined in Section 2.07.
  - (e) **Guest Member** are persons who want to participate in CFA Society Sacramento events but are not eligible for any other membership category. Guest Members are not required to become members of the CFA Institute nor are they required to pursue the CFA charter. To become a Guest Member, an individual shall fulfill the sponsorship requirements as outlined in Section 2.08. Guest Members are entitled to access all Society programs, events, and training courses at no charge or discounted rate, as determined by the Board of Directors.
- 2.03. Requirements for Regular Membership.** To become a Regular Member of the Society, an individual shall:
- (a) be accepted as a Regular Member of CFA Institute; and

(b) fulfill the sponsorship requirements as outlined in Section 2.08.

The Society shall have the right to review all applications for Regular Membership in the Society, including those from persons who hold the CFA designation and Regular Members of other societies and of CFA Institute. In the event of disagreement concerning administration of membership requirements, the Society shall have the right to appeal to the CFA Institute Board of Governors or a committee it establishes.

As a Member Society of CFA Institute, the Society will not admit or retain an individual as a Regular Member who is not a Regular Member of CFA Institute.

The CFA Institute Board of Governors shall have the authority to make final determination on membership application requirements either itself or through a committee it establishes.

Except for a uniform sponsorship requirement set forth by CFA Institute, the Society shall not impose any requirement on its Regular Members other than those listed in Section 3.2 of the Bylaws of CFA Institute.

**2.04. Acceptable Professional Work Experience.** Shall be defined by the CFA Institute bylaws and shall include those activities related to the professional practices of financial analysis, investment management, securities analysis or other similar activities.

**2.05. Requirements for Affiliate Membership.** To become an Affiliate Member of the Society, an individual shall:

(a) be accepted as an Affiliate Member of CFA Institute; and

(b) fulfill the sponsorship requirements as outlined in Section 2.08.

The requirements for Affiliate Membership also include a signed Member's Agreement and Member's Professional Conduct statements which attest that the member has read the Code and Standards, has agreed to abide by the Code and Standards, and has disclosed fully all prior disciplinary and related history and pending regulatory or other proceedings relating to this conduct. With the exception of voting rights, Affiliate members shall have the same privileges as Regular Members of the Society. Affiliate Members of CFA Institute may not have the same privileges as Regular Members of CFA Institute.

**2.06. Individual Membership in CFA Institute and Additional Requirements.** Each Regular Member and Affiliate Member shall:

(a) adhere to CFA Institute's rules and regulations, including its Articles of Incorporation, Bylaws, Code and Standards, and other rules relating to professional conduct;

(b) be subject to the disciplinary jurisdiction of and sanctions by CFA Institute;

- (c) submit information requested by CFA Institute relating to professional conduct and activities; and
- (d) produce documents, testify, and otherwise cooperate in disciplinary proceedings of CFA Institute.

Each Regular Member and Affiliate Member of the Society shall execute a Member's Agreement stating that such member agrees to the foregoing as conditions of membership in the Society and in CFA Institute. Each Regular and Affiliate Member of the Society shall complete and file with CFA Institute an initial and annual signed Member's Professional Conduct statement that shall be filed on or before a date designated by CFA Institute.

- 2.07. Special Provisions as to Members.** Any Regular or Affiliate Member who has been a Member of the Society for at least one (1) year and who becomes unemployed may, within a reasonable period of time after becoming unemployed, upon written application to and approval of the Membership Committee and the Board of Directors, and upon payment of applicable dues, continue to hold Membership in the Society as long as he/she continues to seek active employment in a capacity that would qualify under the provisions of 2.03 or 2.05.

Any Regular or Affiliate Member who has been a Member for at least one (1) year and who becomes retired from active employment may, within a reasonable period of time, upon written application to and approval of the Membership Committee and the Board of Directors, and upon payment of applicable dues, continue to hold Membership in the Society as a Retired Regular or Affiliate Member.

- 2.08. Admission of Members.** Every person applying for Regular or Affiliate Membership in the Society must be sponsored by one CFA Charterholder and the applicant's supervisor, one of which must be a member of the Society. If the supervisor requirement cannot be met because the applicant is the principal of the firm, self-employed, or if providing a supervisor sponsor places the applicant in a difficult professional position, then an additional sponsorship by a Regular Member of CFA Institute is required. Every person applying for an Associate Membership in the Society must be sponsored by either a faculty member in their academic institution, the applicant's supervisor, or a Regular Member of the Society. Every person applying for a Guest Membership in the Society must be sponsored by either the applicant's supervisor or a Regular Member of the Society.

Applications for Regular, Affiliate, Associate or Guest membership shall be in writing and shall be submitted to the Society. The Membership Committee Chair shall present all applications for membership or changes in class of membership to the Board of Directors, whose decision on questions of eligibility shall be final. All persons who have been awarded and retain the CFA designation are eligible to become Regular Members of the Society without sponsors.

The Board of Directors shall possess the sole power to admit Regular, Affiliate, Associate and Guest Members to the Society. An applicant shall be admitted to membership in the Society by the affirmative vote of a majority of those directors who are present at a meeting at which a quorum is present, or by majority consensus in writing or during a conference call at which a quorum is present.

- 2.09. Member Obligation to Follow Association Rules.** These Bylaws constitute a binding agreement between the Society and each Member. Each Member shall be bound by these Bylaws, as amended from time to time and by action of the Board.
- 2.10. Member Liability for Society Actions.** No Member shall be personally or otherwise liable for any debts or obligations of the Society.
- 2.11. Voting Rights.** Regular (Retired) Members in Good Standing have voting rights in the Society and each Regular (Retired) Member in Good Standing shall be entitled to one (1) vote on each matter submitted to the Regular (Retired) Members. Affiliate (Retired) Members, and Associate Members do not have voting rights in the Society.
- 2.12. 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.
- 2.13. Non-transferable Memberships.** No Membership is transferable or assignable.
- 2.14. Resignation.** Any member of the Society may at any time resign by writing to the President or Secretary of the Society. Such resignation shall be effective upon receipt, or the date specified, and acceptance shall not be necessary to make it effective unless it so states. CFA Institute shall be promptly notified of any such resignation.
- 2.15. Discipline.** A Member may be publicly reprimanded, fined, suspended, or have their Membership terminated for cause by the Board after following this procedure:
- Cause shall include a failure, in serious degree, to observe the Society's rules of conduct as prescribed by the Board in these Bylaws or otherwise. The discipline shall occur only after the Member has been given a fifteen-day prior written notice of the proposed discipline and the reasons therefore. The Member shall have an opportunity to be heard, orally or in writing, not less than five days before the effective date of the discipline by the Board or its designee. The Board shall determine whether cause exists and the appropriate discipline, if any.
- 2.16. 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. The Board shall not share membership information with other institutions, companies, or individuals without explicit consent from the member.

## ARTICLE 3

### Meetings of the Members

- 3.01. Meeting.** The Society shall hold an annual meeting of the regular membership at the place and on the date that the Board determines. At the annual meeting, directors shall be elected, the Board shall report the activities of the Society to the members, and other business shall be transacted as may be properly brought before the meeting.
- 3.02. Special Meetings.** The Board, the President, or the Vice President may call special meetings of the regular membership.
- 3.03. Quorum, Voting.** A quorum shall consist of the number of Members present at the meeting. Whenever a quorum is present, an act of decision made by a majority of the Members present is a valid act or decision. Proxy voting which conforms to the California Nonprofit Corporation Law is permitted at any meeting.
- 3.04. Notice.** The Board must give Society members reasonable notice of all annual and special meetings. The notice shall include a description of the business to be discussed and shall be given at least ten days (but not more than 90 days) before the meeting.
- 3.05. Action Without a Meeting: Written Ballot.** Any action which may be taken at a regular meeting of the members may be taken by conforming to the mail balloting procedure specified in the California Nonprofit Corporation Law.
- 3.06. Guests.** The Board may establish a policy for admitting guests to general meetings of the members.

## ARTICLE 4

### Board of Directors

- 4.01. Board of Directors.** The Board is the governing body of the Society and is responsible for the supervision, control, and direction of the Society. The Board may delegate the management of the Society to a person or group, provided the Board retains the ultimate control over the affairs of the Society.
- 4.02. Eligibility and Number of Directors.** The Board shall consist of not less than eleven (11) or more than thirteen (13) directors, as determined by the Board. The Board shall consist of five (5) active officers of the Society, six (6) to eight (8) other members elected by the Members at the annual meeting. Only Regular Members are eligible for election and service as a Director.
- Members of the Board of Directors shall serve one two (2) year term, or until their successors have been duly elected, taking office the first day of the fiscal year subsequent to the date of their election, and they shall be eligible for re-election for successive terms. No Director may serve more than six (6) succeeding full or partial terms; however, a person who has previously served as a director may again be elected one (1) year after having last ended service as a Director.
- 4.03. 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.
- 4.04. Meetings.** Any officer or any two directors may call meetings of the Board. The Board shall hold its annual meeting at the time and place it selects and shall hold other meetings each year at the time and place it selects.
- 4.05. Notice.** The Board may hold regular meetings without notice if the time and place of such meetings is fixed by the Board. The Board may hold special meetings upon four days notice by first class mail or 48 hours notice delivered personally or by telephone, email or facsimile or in such other manner as the Board may determine in accordance with law.
- 4.06. Quorum.** A majority of the number of directors then currently serving on the Board shall be necessary to constitute a quorum of the Board.
- 4.07. Board Action.** Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is an act of the Board. The Board may adopt rules and regulations that may supplement and interpret these Bylaws, which shall be binding and enforceable as to members, Directors and Officers.
- 4.08. Absence.** If a Director is absent from four consecutive meetings in any one fiscal year, the Director's resignation shall be deemed to be tendered and accepted, and the Director shall be so notified.

- 4.09. Conduct of Meetings.** The President of the Society shall preside over meetings of the Board. In his or her absence, the Vice President of the Society or, in the absence of each of these people, the Secretary of the Society or, in the absence of each of these people, the Treasurer of the Society shall preside over said meetings. The Secretary of the Society shall act as secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary. Meetings shall be governed by Sturgis, *The Standard Code of Parliamentary Procedure*, insofar as these rules are not inconsistent with or in conflict with these Bylaws, or with provision of law.
- 4.10. Meeting by Conference Call or Other Electronic Means.** Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communication equipment if all of the following apply:
- (a) each member can communicate with all of the other members concurrently;
  - (b) each member is provided with a means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection, to a specific action to be taken; and
  - (c) a means of verification is adopted and implemented by the corporation as to both of the following:
    - (i). the person communicating by electronic means is entitled to participate in the Board meetings and
    - (ii). all statements, questions, actions, or votes were made by that person and not by another not entitled to participate.
- 4.11. Action by Unanimous Written Consent without a Meeting.** Any action required or permitted to be taken by the Board under any provision of law may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action in the manner specified in the California Nonprofit Corporation Law.
- 4.12 Record Retention Policy.** The Board shall establish a record retention policy, which may change from time to time as the Board finds necessary.

## ARTICLE 5

### Nominations and Elections

- 5.01. Nominating Committee.** The President shall appoint a Nominating Committee with the approval of the Board of Directors at the time. The Committee shall make nominations of directors and officers in accordance with Society policy, to be submitted at the annual meeting. The Committee shall prepare and announce its nominations to the Secretary in writing at least one month before the date of the annual meeting, and to the Membership at least fifteen (15) days before the date of the annual meeting. The Immediate Past President shall serve as the chairman of the Nominating Committee.
- 5.02. Nominations.** Any individual Member of the Society may make a nomination from the floor of the annual meeting or by written proxy for the Board of Directors vacancies. Any nominations by proxy or petition shall be filed in writing with the Secretary. Proxies must be filed with the Secretary at the start of the annual meeting. Petitions must be filed thirty (30) days before the start of the annual meeting.
- 5.03. Notification to Members.** It shall be the duty of the Secretary to notify each Member at least fifteen (15) days before the date of the annual meeting of the nominations made by the Nominating Committee and the names of the Nominating Committee Members, together with notice of such nominations as are properly made by petition and the names of all Members signing any such petition.
- 5.04. Voting.** Vacancies on the Board of Directors shall be voted upon by ballot at the annual meeting. The first ballot shall provide for voting for each vacancy to be filled. In the event that all vacancies are not filled by the necessary majority for election on the first ballot, then a second vote (or successive ballots if required) for the remaining vacancies shall be taken on the remaining nominees until all vacancies are duly filled, providing, however, that the nominee receiving the lowest number of votes on the second of any succeeding ballots shall be dropped from nomination.

## ARTICLE 6

### Officers

- 6.01. Officers.** The officers of the Society shall be a President, a Vice President, a Secretary, a Treasurer, and an Immediate Past President.

At least three of the four officers must be Regular Members of the Society who have served at least one year previously on the Board of Directors. The requirement of previous Board service may be suspended for the office of Secretary upon a vote of the Board. A person may hold more than one office at the same time provided that the President and Secretary may not be the same person.

No officer may serve more than four (4) succeeding full or partial terms in any one officer role; however, a person who has previously served as an officer may be elected to another officer role thereafter and may also again be elected to the previous officer role four (4) years after having last served in that role.

- 6.02. Term of Office.** The officers shall be elected by the Members at the time of the annual meeting and shall be responsible to the society's Members. Each officer shall serve for a term of two fiscal years, until the successor is elected.
- 6.03. Duties.** The officers perform those duties that are usual to their positions and that are assigned to them by the Board, including those duties that are set forth in the specific position descriptions for each officer as adopted by the Board from time to time. The President acts as Chairman of the Board; the Vice President acts in place of the President when the President is not available; the Treasurer is the chief financial officer; the Secretary oversees record keeping; and the Immediate Past President acts as an advisor to the Board and serves as the Chairman of the Nominating Committee.
- 6.04. 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 7

### Committees

- 7.01. Committees.** The Board may establish such committees as it sees fit; in each case, the Board shall describe in writing the specific mission and authority of the committee as well as the term of the committee's existence.
- 7.02. Executive Committee.** The Executive Committee acts in place and stead of the Board between meetings of the Board, except as to those matters reserved by the Board or by law to the Board. The Executive Committee shall consist of the five officers.

## ARTICLE 8

### Finances

- 8.01. 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.
- 8.02.** Pursuant to an agreement between the Society and CFA Institute, CFA Institute will bill and collect membership dues for the Society with the exception of the Associate Memberships. Associate Members will be billed and must remit payment of membership dues to the Society.

## ARTICLE 9

### Code of Ethics and Standards of Professional Conduct of CFA Institute

- 9.01. Adoption and Amendment.** The Society hereby adopts the Code and Standards, and as they may be amended from time to time. Regular, Affiliate, Associate, and Retired Members of the Society shall comply with the provisions of the Code and Standards.
- 9.02 Enforcement.** The Society hereby delegates to CFA Institute all authority and responsibility for enforcement of the Code and Standards with respect to the Regular, Affiliate, Associate, and Retired Members of the Society. The Society shall report to CFA Institute any possible violation by such Members of the Code and Standards which come to its attention. The Membership in the Society (whether Regular, Affiliate, Associate, or Retired) of a person whose individual Membership in CFA Institute as a Regular or Affiliate has been revoked or suspended by CFA Institute as a Regular, or Affiliate 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.
- 9.03 Annual Statements.** Each Regular, Affiliate, and Retired Member of the Society shall furnish to CFA Institute an annual signed statement relating to their conduct, shall furnish such additional information relating to professional conduct as may be requested by CFA Institute, and shall file such statements by a date designated by CFA Institute. The Society, if requested by CFA Institute, shall collect such statements for all its Regular and Affiliate Members and forward such statements to CFA Institute by the designated date. Each Associate Member of the Society shall furnish to the Society an annual signed statement relating to their conduct, shall furnish such additional information relating to professional conduct as may be requested by the Society, and shall file such statements by a date designated by the Society.

## ARTICLE 10

### Amendment of the Bylaws

**10.01. 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 11

### Indemnification and Insurance

**11.01 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.

**11.02 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 12

### Dissolution

#### 12.01. 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.