

**MEMBER SOCIETY  
BYLAWS  
As approved on 2 June 2016**

**ARTICLE 1 – FORMATION**

- 1.1 Name.** The name of the corporation is “CFA Society Czech Republic, spolek” (herein referred to as the “Society”).
- 1.2 Location.** The principal office of the Society is Prague, the Czech Republic. The Board shall have power to change the Society office’s location.
- 1.3 Corporate Seal.** The Board shall have power to adopt and alter the seal of the Society.
- 1.4 Membership in CFA Institute.** This Society is a Member of CFA Institute. 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, unless they are in conflict with coercive provisions of Czech law no. 89/2012 Sb., Civil Code.
- 1.5 Statement of Purpose.** The mission of the Society is to:
- (a) promote the highest ethical standards in the Czech investment community;
  - (b) enhance awareness of the CFA Program in the Czech Republic;
  - (c) support CFA Program candidates;
  - (d) serve and bring increasing value to the Society's members; and
  - (e) provide a platform for the exchange of information and opinions among people within the local financial community and beyond.
- 1.6 Secondary economic activity.** The secondary economic activity of the Society is organizing occasional educational and social events for its members and other participants for an entry fee.

**ARTICLE 2 - DEFINITIONS**

For the purposes of the Bylaws, the following are defined terms that may be used herein, as appropriate, in the singular or plural form:

- 2.1 “Acceptable Professional Work Experience”** includes, as it relates to applicants seeking to become Regular Members or Affiliate Members, activities that consist to a majority extent of:
- (a) evaluating or applying financial, economic, and/or statistical data as part of the Investment Decision-Making Process involving securities or similar investments, which includes, but is not limited, to publicly traded and privately placed stocks, bonds and mortgages and their derivatives; commodity-based derivatives and mutual funds; and other investment assets, such as real estate and commodities, if these other investment assets are held as part of diversified, securities-oriented investment portfolios; or
  - (b) supervising, directly or indirectly, those who practice such activities; or
  - (c) teaching such activities.
- 2.2 “Affiliate Member”** is an individual who has met the membership requirements set forth in Section 3.3 of 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, incorporated in the USA under registration ID 0290164-3.
- 2.6 “CFA Program”** is the Chartered Financial Analyst (CFA<sup>®</sup>) study and examination program developed and administered by CFA Institute.
- 2.7 “Chartered Financial Analyst<sup>®</sup>”** and **“CFA<sup>®</sup>”** 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 and Society 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 Section 3.2 of the Society Bylaws and whose membership has not been revoked or suspended.

### **ARTICLE 3 - MEMBERSHIP**

- 3.1 Classes of Members.** The classes of members in the Society are Regular Members and Affiliate Members.
- 3.2 Regular Member.** To become a Regular Member of the Society, an individual must be a Regular Member of CFA Institute and fulfill such other requirements as the Society may impose consistent with the requirements established by CFA Institute.
- 3.3 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;
  - (b) have at least one year of Acceptable Professional Work Experience; and
  - (c) 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
  - (d) meets the conditions that the Society may determine in accordance with the conditions laid down by CFA Institute.
- 3.4 The rights and obligations of Members with respect to the Society.**

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.

**3.5 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 shall have the right to review all applications for membership in the Society and make a decision about any application for membership. In the event of disagreement concerning administration or interpretation of the CFA Institute 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.

**3.6 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.

**3.7 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.

**3.8 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.

**3.9 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, as determined and applied by CFA Institute. In the case of Regular Member and Affiliate Members, membership in the Society shall be suspended or revoked if their 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.

**3.10 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 activities or to membership in CFA Institute. Member List will not be published. Entries and deletions from the Member List relating to membership in the Society are carried out by CFA Institute in agreement with the Society.

**3.11 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) A Regular Member or Affiliate Member of the Society may assume retired status if he or she:
- (i) has been a Regular Member or Affiliate Member of CFA Institute for at least one year;
  - (ii) is not currently engaged in professional activities which qualify as Acceptable Professional Work Experience sufficient to receive the CFA charter or complete Regular Membership requirements;
  - (iii) completes an application provided by the Society; and
  - (iv) completes such other requirements as the Society may impose.

## **ARTICLE 4 - BODIES OF THE SOCIETY**

**4.1 Bodies of the Society include:**

- (a) The highest authority: Meeting of the Members (“Members’ Meeting”); and
- (b) The statutory authority: Board of Directors (“Board”). The Board is a collective body.

**4.2 Authority.** Bodies of the Society may only discuss matters which, according to the Bylaws and internal regulations of the Society, fall within authority of the bodies.

## **ARTICLE 5 - MEETINGS OF THE MEMBERS**

**5.1 Meetings.**

- (a) All meetings of the members shall be held at a suitable time and place in the Czech Republic, as determined by the Board.
- (b) There shall be at least one Members’ Meeting per year.

- (c) Annual and extraordinary Members' Meetings shall be called by the Board.
- (d) The Board or Secretary or Executive Director shall convene an extraordinary Members' Meeting, on receipt of a written petition signed by one-twentieth (1/20) of the Regular Members In Good Standing.
- (e) Only business within the purpose or purposes described in the meeting notice shall be conducted at a special meeting.

## 5.2 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, in a following way :
  - (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.

**5.3 Quorum.** At any Members' Meeting, five percent (5%) 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 Board may adjourn the meeting to a fixed time and place determined by the Board.

## 5.4 Voting.

- (a) Each Regular Member In Good Standing shall be entitled to one (1) vote.
- (b) A Regular Member may be represented in a meeting by a proxy authorized in writing or, when permitted by applicable law, electronic form, provided that the power of attorney

has been received by the Board of Directors not later than on the date of the meeting (this date may not fall before the seventh day prior to the date of the meeting). A proxy that represents a Regular Members will be allowed to attend and vote at a Meeting of Members only if he provides, at the latest before the start of the Meeting, satisfactory evidence that he is authorized to act on behalf of a Regular Members at the given Meeting (such as a duly signed power of attorney) and satisfactory evidence of his identity (such as a passport). In case of a proxy granted by an electronic form, the identity of a Regular Member granting the electronic proxy will be verified by CFA Institute through a unique identification code generated for every Regular Member.

- (c) A Regular Member may cast his vote in person or prior to the date of the Meeting using technical devices (i.e. online or by email). The procedure for casting a vote using technical devices shall be specified in a notice of the Meeting. Such a vote cast using technical devices shall be received not later than on the date specified in the notice of the Meeting. The identity of a Regular Member casting his vote by technical devices will be verified by CFA Institute through a unique identification code generated for every Regular Member.
- (d) A majority of the votes cast in person or by proxy, in writing or by technical devices, 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.

## **ARTICLE 6 - BOARD OF DIRECTORS**

**6.1 Authority and Responsibility.** The Board of Directors is the statutory body of the Society, 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.

### **6.2 Number, Composition and Qualification.**

- (a) The total number of Members of the Board, shall be not less than four (4) and nor more than seven (7) and shall be determined by the Board. The President, Vice President, Treasurer, Secretary and any other members elected at the Members' Meeting shall serve as Members of the Board.
- (b) Only Regular Members In Good Standing are eligible for election and service as a Member of the Board.

**6.3 Acting on behalf of the Society.** President or Vice President or Executive Director and another Member of the Board act jointly for the Society.

### **6.4 Terms and Elections.**

- (a) Members of the Board shall be elected by vote of the Regular Members In Good Standing at the annual or special meeting of members for a term of two years commencing immediately after the conclusion of the meeting of members on which the election took place and continuing until their successors are chosen and qualified.
- (b) The President, as a Member of the Board, is elected directly to the position of president at a Members' Meeting.
- (c) **Resignation.** Any Board Member may resign at any time by delivering his resignation in writing to the President or Secretary. Such resignation shall be effective upon receipt, or the date specified therein, and acceptance thereof shall not be necessary to make it effective unless it so states.
- (d) **Recall.** A Board Member may be recalled by a vote of two-thirds of the remaining Board Members if:
  - (i) the Board Member regularly fails to attend meetings of the Board or otherwise fails to fulfill his/her duties as a Board Member; or
  - (ii) the Board Member is no longer a Regular Member of CFA Institute or is otherwise no longer eligible to be a regular member of the Society.

**6.5 Vacancies.** A Director's vacancy for any reason may be filled by the Board by the appointment of a successor for up to the unexpired term of the Director whose place is vacant; however, in each case latest until the date of the next meeting of members.

#### **6.6 Meetings.**

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

#### **6.7 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.

- (b) Written notice shall, when required, be sent by the Secretary, President or Executive Director and shall:
  - (i) state the date, time, and place of the meeting; and
  - (ii) be delivered, mailed, or expressed to each Member of the Board 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 Board meeting may be waived in writing signed by the individual entitled to notice before or after the date of the Board meeting.
- (e) A Member of the Board who attends a meeting in person or through the use of technical devices by which all Members of the Board may simultaneously hear each other during the meeting shall be deemed to have had timely and proper notice of the meeting.

**6.8 Quorum.** Except as otherwise provided in the Bylaws or by law, at any meeting of the Board, a majority of the Members of the Board who are present in person or through the use of any technical device by which all Members of the Board may simultaneously hear each other during the meeting shall constitute a quorum. If the Board meeting does not constitute a quorum, the meeting shall be convened for an alternate time.

**6.9 Voting.**

- (a) Each Member of the Board shall be entitled to one (1) vote, which shall not be voted by proxy. Members of the Board can cast votes at a meeting or by using technical devices (i.e. online or by telephone or email).
- (b) The act of a majority of the Members of the Board 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. In case the vote is tied, the President has the casting vote.

## **ARTICLE 7 – MEMBERS OF THE BOARD**

### **7.1 Designation, and Qualifications.**

- (a) Members of the Board of the Society shall be a President, Vice President, Treasurer, Secretary, and such other officers as the Board may determine. Vice President, Treasurer and Secretary, as Members of the Board elected at a Members' Meeting, are appointed to their positions by the Board.

- (b) Only Regular Members In Good Standing may serve as a Member of the Board of the Society.
- (c) A person may hold more than one position at the same time provided that the President and Secretary may not be the same person.

## **7.2 President.**

- (a) The President shall be the chairman of the Board of the Society and, subject to the direction of the Board, shall:
  - (i) exercise general supervision and control of the affairs of the Society;
  - (ii) as representative of the Board, which is a collective statutory body of the Society, he or the Vice President or the Executive Director and another Member of the Board act jointly for the Society and sign jointly any and all of the legal acts for the Society for which written form is required;
  - (iii) preside as “Chair” at all meetings of the members and Board;
  - (iv) unless otherwise appointed as a Member of the Board and nonvoting member of each Society committee; and
  - (v) have such other duties and powers as prescribed in the Bylaws, the Articles of Incorporation, by the Board, and by law.
- (b) It shall be the President’s duty to effectuate all orders and resolutions of the Board.

## **7.3 Vice President.** The Vice President shall:

- (a) as representative of the Board, which is a collective statutory body of the Society, he or the President or Executive Director and another Member of the Board act jointly for the Society and sign jointly any and all of the legal acts for the Society for which written form is required;
- (b) perform the duties of the President in his or her absence;
- (c) automatically become the President of the Society in the event of the President’s incapacity, resignation, removal, or death, until such time as the Board may convene to appoint a new President pursuant to Section 5.4; and
- (d) have such other duties and powers as prescribed in the Bylaws, the Articles of Incorporation, by the Board, and by law.

## **7.4 Secretary.** The Secretary shall:

- (a) act as secretary at all Board and member meetings, including maintaining minutes of such meetings;
- (b) maintain the corporate seal and certify the authenticity of Board actions and officer signatures;
- (c) notify the members and Board Members of all meetings in accordance with the Bylaws;
- (d) comply with all requests for information from CFA Institute; and
- (e) have such other duties and powers as prescribed in the Bylaws, the Articles of Incorporation, by the Board, and by law.

**7.5 Treasurer.** The Treasurer shall:

- (a) oversee the receipt and disbursement of all funds;
- (b) maintain the Society's financial records and statements;
- (c) submit an annual financial statement and budget to the Board and such other statements as the President may require; and
- (d) have such other duties and powers as prescribed in the Bylaws, the Articles of Incorporation, the Board, and by law.

**7.6 Executive Director**

- (a) The Board may decide to appoint an Executive Director to help the Board to execute and manage the business of the Society under the direction of the Board, subject to the Bylaws, the Articles of Incorporation, and applicable law.
- (b) **Authority and Responsibility.** The Executive Director when fulfilling his duties and responsibilities as designated by the Board reports directly to the Board. The Board can authorize Executive Director to act and sign jointly with another Member of the Board for the Society any and all of the legal acts for which written form is required.
- (c) **Reports.** The Executive Director shall submit a written report to the Board or provide a verbal summary at every Board meeting or at least once each fiscal year covering the Executive Director's activities since the previous report.

**ARTICLE 8 - COMMITTEES****8.1 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.

**8.2 Committee Chair and Members.** Except as otherwise provided in the Bylaws:

- (a) the chair of each committee shall be a Regular Member In Good Standing;
- (b) the chair of each committee shall be appointed by the President of the Society, with the approval of the Board, to serve for a term of one (1) year or such longer period as the Board may determine and shall serve until his or her successor is selected and qualified.
- (c) each member of a committee shall be a Regular Member In Good Standing except to the extent that the Board shall determine otherwise; and
- (d) the chair of each committee, with prior approval of the Board, shall appoint the other members of the committee to serve for a term of one (1) year or such longer period as the Board may determine and shall serve until his or her successor is selected and qualified.

**8.3 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 subcommittees shall be subject to review and approval by the appointing committee, or as otherwise set forth in the Bylaws.

**8.4 Reports of Committees.** Each of the committees shall submit a written report to the Board or verbal summary provided at a Board meeting at least once each fiscal year covering the committee activities since the previous report.

**ARTICLE 9 – FINANCES**

- 9.1 Fiscal Year.** The fiscal year of the Society shall begin on January 1 of each year, unless otherwise determined by the Board.
- 9.2 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.
- 9.3** Pursuant to an agreement between the Society and CFA Institute, CFA Institute will bill and collect membership dues for the Society.

**ARTICLE 10 - PROFESSIONAL CONDUCT**

- 10.1 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.
- 10.2 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.
- 10.3 Charges.** Any person may, in writing, address the Society or a Member of the Board 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 11 – AMENDMENT OF THE BYLAWS**

- 11.1 Proposal for Amendment.** A proposed amendment of the Bylaws shall be submitted by the Secretary or Executive Director to all Members of the Board at least seven (7) days before the next meeting of the Board. The Board at its meeting will decide, by casting votes in accordance with Article 6, paragraph 6.9 point (a) and (b), about the submission of the proposed amendment of the Bylaws for approval at the next Members' Meeting.

**11.2 Adoption of Amendment.**

- (a) An amendment to the Bylaws shall be adopted when approved by a majority of the Regular Members In Good Standing voting in accordance with the requirements of the Bylaws.
- (b) Except to the extent prohibited by law, the CFA Institute Bylaws are incorporated by reference, and amendments to those Bylaws are also incorporated by reference without the necessity of further action. Those parts of the CFA Institute Bylaws, which are not in compliance with the coercive provisions of law no. 89/2012 sb., the Civil Code, are ineffective for the Society.

**ARTICLE 12 - INDEMNIFICATION**

**12.1 Indemnity.** Every Member of the Board, or Regular Member of the Society and their heirs, executors, and administrators, respectively, shall from time to time and at all times be indemnified and saved harmless out of the funds of the Society, if the funds so permit, from and against:

- (a) all costs, charges, and expenses that such Member of the Board, or Regular Member sustains or incurs in or about any action, suit, or proceeding that is brought, commenced, or prosecuted against him or her for or in respect of any act, deed, matter, or thing whatsoever made, done, or permitted by him or her in or about the execution of his or her duties pursuant to the Bylaws; and
- (b) from and against all other costs, charges, and expenses that he or she sustains or incurs in or about or in relation to the affairs of the Society except such costs, charges, or expenses as are occasioned by his or her own willful neglect or default.

**ARTICLE 13 - DISSOLUTION****13.1 Procedure.**

- (a) The Society may be dissolved by a three-quarter (3/4) vote of all Regular Members. If the Society is dissolved without a legal successor, the Society shall enter into liquidation.
- (b) In the event of the 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 (the liquidation balance) 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 dissolution, if any.

- (c) In other parts the dissolution of the Society and its liquidation is governed by law no. 89/2012 sb., the Civil Code, as amended.