

**Investment Adviser Association**  
1050 17<sup>th</sup> Street, N.W., Suite 725 ♦ Washington, DC 20036

**BY-LAWS**

**ARTICLE I**  
**Name and Purposes**

**Section 1. Name.** The name of this Corporation is: INVESTMENT ADVISER ASSOCIATION, hereinafter called the “Association”.

**Section 2. General Purposes.** The purposes of the Association are:

- (a) To promote integrity, public responsibility and competence in the investment adviser profession.
- (b) To represent the interests of investment advisers in any or all respects and before any or all governmental bodies or other interested persons or groups.
- (c) To provide benefits, services and products to members of the Association.
- (d) To engage in any other business activity, appropriate for a not-for-profit trade association, that is lawful under the laws of the State of Delaware.

**Section 3. Tax Exempt Purposes.** The Association intends to continue to take advantage of the exemption previously granted it as an organization exempt from federal taxation pursuant to Section 501(c)(6) of the Internal Revenue Code (the “Code”). Until such time, if ever, that such exemption is denied or lost, the Association shall not engage, directly or indirectly, in any activity that would invalidate its status as an organization exempt from federal taxation under Section 501(c)(6) of the Code. All references to the Code contained in this Section 3 are deemed to include corresponding provisions of any future United States Internal Revenue Law.

## **ARTICLE II Membership**

**Section 1. Qualifications - Regular Membership.** Regular membership in the Association shall be open to any investment adviser firm that is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940 and meets such other requirements as the Board of Governors may from time to time prescribe.

**Section 2. Admission of Regular Members.** Any qualified firm will be admitted to regular membership in the Association upon:

- (a) filing an application in such form as the Board of Governors may from time to time prescribe;
- (b) submitting evidence satisfactory to the Board of Governors that it meets the prescribed requirements;
- (c) paying any initial or admissions fee as the Board of Governors may from time to time prescribe; and
- (d) paying dues in such amount as determined by the Board of Governors from time to time.

**Section 3. Other Categories of Membership.** The Board of Governors may establish other categories of membership in the Association subject to such requirements and dues, fees, and assessments as it may from time to time prescribe.

**Section 4. Resignation; Suspension; Expulsion.**

- (a) A member may resign from the Association at any time by advising the Association of such resignation.
- (b) The Board of Governors may vote to suspend or expel any member of the Association for adequate reason. Failure to pay dues or to meet the criteria for membership is presumed to be adequate reason for expulsion and does not require advance notice to the member and deliberation by the Board. Any member proposed for expulsion for any other reason will be given advance written notice including the reason for the proposed expulsion, opportunity to contest the proposed expulsion in writing before the Board of Governors within fifteen

(15) days after such notice is given, and final written notice of the Board's decision.

### **ARTICLE III Governance**

**Section 1. Control by Regular Members.** The ultimate control of the Association resides in the regular members. The Board of Governors is elected to manage and administer the affairs of the Association for the regular members pursuant to Article V.

**Section 2. Representation.** Each regular member shall appoint a representative who shall be authorized thereby to vote on the regular member's behalf, which shall be binding on the member. Each regular member may also appoint one (1) or more alternate representatives who may attend all meetings of the Association and who may vote on all occasions with respect to all matters of the Association in the absence or disability of the representative. If a regular member appoints more than one (1) alternate representative, it shall notify the Association of the order in which such alternate representatives shall act. All communications to a regular member shall be delivered to the representative and to such other persons as the regular member may from time to time designate.

#### **Section 3. Voting.**

- (a) Upon any question brought before the membership, each regular member shall be entitled to one (1) vote, in person or by proxy, which shall be cast by the regular member's representative or by its alternate representative as provided in Section 2 of this Article. Voting shall occur in accordance with any procedures adopted by the Board of Governors.
- (b) Any written ballot required to vote shall be satisfied by a ballot submitted by electronic transmission provided that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the member or proxy holder.
- (c) Notice of a meeting of the regular members, including the nominations or proposals to be voted upon, shall be given not less than ten (10) days nor more than forty (40) days prior to such meeting. Such notice, including but not limited to ballot and proxy materials, may be provided by postal or other delivery, facsimile,

electronic transmission, or any other electronic means permitted by law.

- (d) Member voting without a meeting may also occur by postal or other delivery, facsimile, electronic transmission, or any other electronic means permitted by law.

## **ARTICLE IV Dues and Assessments**

**Section 1. Annual Dues.** The annual dues and any initial or admission fees for members of the Association shall be as determined from time to time by the Board of Governors. The annual dues shall be payable on January 1 of each year.

**Section 2. Assessments.** The Board of Governors may at any time make an assessment against the regular members or other categories of members for any of the purposes of the Association, which assessment shall be apportioned among the regular members or other categories of members in proportion to the annual dues payable by them; provided that the total of such assessments in any year shall not exceed the total annual dues payable by the regular members or other categories of members of the Association for such year.

**Section 3. Special Assessments.** Upon the approval of a majority of all the regular members of the Association, the Board of Governors may make an assessment against the regular members for any of the purposes of the Association, and such assessment shall not be limited by the provisions of Section 2 of this Article. Such assessment shall be apportioned among the regular members in proportion to the dues payable by them, but no such assessment shall become binding upon any regular member that resigns from the Association within thirty (30) days after being advised of the amount of such assessment and the fact of its approval by a majority of the regular members of the Association.

## **ARTICLE V Board of Governors**

**Section 1. Powers.** The management and administration of the Association shall be vested in the Board of Governors which shall have all the powers necessary for, and incidental to, such management and administration or the promotion of the objectives and purposes of the Association.

**Section 2. Number; Election.** The Board of Governors shall consist of not less than nine (9) nor more than twenty-seven (27) persons, as determined from time to time by the Board of Governors. The Board of Governors shall be divided into three (3) classes, each class to consist of not less than three (3) Governors. Each Governor shall be elected by the regular members at the annual meeting of the members, for a term of not less than one (1) nor more than three (3) years, and until that Governor's successor is elected and qualified. Such elections may be staggered so that each class of Governors stands for re-election once every three (3) years. The Board of Governors may, in its discretion, establish term limits for the Governors.

**Section 3. Qualifications.** Each member of the Board of Governors shall be a partner or officer of or other person occupying a responsible position with a regular member firm or with an entity that has a significant ownership interest in a regular member firm. If any member of the Board of Governors shall cease to be a partner or officer of or other person occupying a responsible position with a regular member firm or entity that has a significant ownership interest in a regular member firm, such person shall thereupon cease to be a member of the Board of Governors.

**Section 4. Resignation.** Any member of the Board of Governors may resign at any time upon notice to the Association.

**Section 5. Removal.** A Governor may be removed for cause by a majority vote of the regular members eligible to vote.

**Section 6. Vacancies.** Any vacancy occurring in the Board of Governors between annual meetings of the Association, or any Governorship to be filled by reason of an increase in the number of Governors between annual meetings of the Association, may be filled by a vote of the remaining members of the Board of Governors until the next annual meeting of the members of the Association.

## **ARTICLE VI Officers, President/CEO, and Offices**

**Section 1. Officers.** The officers shall be a Chair, Past Chair, President & Chief Executive Officer, one or more Vice Chairs, Secretary, and a Treasurer, each of whom shall be elected annually by the Board of Governors at its annual meeting and shall hold office for one year and until such officer's successor is elected. A person may hold more than one office at any given time, provided that the same person may not serve as any of the following officers concurrently with such person's

service as any other of the following officers: Past Chair, Chair, Secretary and Treasurer. The Chair shall be elected from among the Board of Governors of the Association. The Past Chair shall be the immediate Past Chair or other current or former Governor if the immediate Past Chair is unable or unwilling to serve in that capacity. Any officer may be removed by a vote of two-thirds of the Board of Governors.

**Section 2. Duties.** The officers shall perform those duties that are usual to their positions and that are assigned to them by the Board of Governors. In addition, the Chair shall preside at all meetings of the Board of Governors and shall preside at all meetings of the membership, except that the Chair may delegate a Vice Chair or any other officer or Governor to preside on given occasions; the Treasurer is the financial officer of the Association; and the Secretary or his or her designee shall keep records of the proceedings of the meetings of the Governors and members.

**Section 3. Vacancies.** If a vacancy occurs among the officers for any reason, the Board of Governors may appoint a successor to fill the unexpired portion of the term.

**Section 4. President & Chief Executive Officer.** The Board of Governors may appoint and may remove a President & Chief Executive Officer who is responsible for implementing the policies established by the Board and such other duties as may be delegated by the Board of Governors.

**Section 5. Offices.** The Association shall maintain such offices, within or outside the State of Delaware, as the Board of Governors may determine.

## **ARTICLE VII Committees**

**Section 1. Executive Committee.** The Board of Governors shall appoint from among its own members an Executive Committee of from five to seven persons, one of whom shall be the Chair of the Association. The Executive Committee shall have and may exercise all the powers of the Board of Governors except such powers as the Board of Governors may have to enact, amend or repeal the By-Laws and to fill vacancies on the Board of Governors. A quorum shall consist of three (3) persons.

**Section 2. Nominating Committee.** Not less than six (6) weeks before the annual meeting of the Association, the Board of Governors shall appoint a Nominating Committee of three to five persons, no more than one of whom shall be a member of the Board of Governors and none of whom shall be members of the Board of Governors whose terms expire at

such meeting. The members of the Nominating Committee shall be partners or officers or persons holding responsible positions with member firms of the Association. It shall be the duty of the Nominating Committee to make nominations for members of the Board of Governors to fill the vacancies then existing or about to be created by expiration of term. Such nominations shall be made to the Board of Governors, for submission to the regular members, at least thirty (30) days before the annual meeting.

**Section 3. Finance Committee.** The Board of Governors shall appoint a Finance Committee to oversee the financial audit and budget of the Association. At least one member of the Finance Committee must be a Governor. At least one member of the Finance Committee must have experience or expertise in financial matters, and that member need not be a Governor. The Finance Committee is responsible for engaging or discharging the financial auditors of the Association.

**Section 4. Other Committees.** The Board of Governors may appoint, from its own members or from among the partners and principal officers of member firms or other persons occupying responsible positions with member firms, such other committees as it deems necessary or advisable, and may fix the powers, duties, and terms of office of any committees so appointed.

## **ARTICLE VIII Meetings**

**Section 1. Annual Meeting.** The annual meeting of the Association shall be held for the election of Governors in each year on such date and at such place within or outside the State of Delaware as the Board of Governors may determine. Any other proper business may be transacted at the annual meeting.

**Section 2. Special Meetings.** Special meetings of the Association may be called by the Board of Governors whenever it deems them necessary and shall be called whenever it is requested in writing to do so by at least ten percent (10%) of the regular members of the Association. No business shall be transacted at any special meeting other than that for which the meeting shall have been called.

**Section 3. Attendance at Annual or Special Meetings.** Annual or special meetings of the Association shall be open to all representatives, alternate representatives, partners, and principal officers of regular member firms and to other categories of members and guests invited by the Association.

**Section 4. Notice.** Notice of each annual or special meeting of the Association shall be delivered to each regular member at least ten (10) but not more than forty (40) days prior to the date of such meeting. Any notice required to be given, any requests required in writing, or any other communications referenced in these By-Laws or permitted or required under the laws of the State of Delaware may be provided by postal or other delivery, facsimile, electronic transmission, or any other electronic means permitted by law.

**Section 5. Quorum.** One-third ( $\frac{1}{3}$ ) of the regular members of the Association represented at a meeting, in person or by proxy, shall constitute a quorum for the transaction of any business. Other than the election of Governors, a majority of votes is required to carry a matter when a quorum is present, unless otherwise provided in these By-Laws or by Delaware law. Governors shall be elected by a plurality of the votes of the regular members present in person or represented by proxy and entitled to vote thereon.

**Section 6. Board of Governors Meetings.** The annual meeting of the Board of Governors shall be its first regular meeting following the annual meeting of the Association. Regular meetings of the Board of Governors shall be held at times and places as the Governors may decide, and whenever called by the Chair. The Secretary shall call a special meeting of the Governors whenever three Governors request such a meeting in writing.

No call or notice shall be required for the annual meeting of the Governors if held immediately after and at the same place as the annual meeting of members. Notice of each other meeting of the Governors shall be provided to each Governor at least forty-eight (48) hours before the meeting.

The presence in person or by electronic means as set forth in Section 8 of one-third ( $\frac{1}{3}$ ) of the Board of Governors shall be necessary to constitute a quorum for the transaction of business at any meeting of the Board and the action of the majority of the Governors present shall be the action of the Board of Governors, except where otherwise provided in these By-Laws.

Any member of the Board of Governors may from time to time designate an observer to attend the meeting of the Board in such member's absence. Persons so designated shall attend the meetings of the Board solely in the capacity of observers and shall not be counted towards



making a quorum at the meetings of the Board nor be entitled to vote thereat.

**Section 7. Waiver of Notice.** Whenever any notice is required to be given to any member or Governor by law or by these By-Laws, such member or Governor may waive such notice in writing, either before or after the time referred to in such notice. All such waivers shall be given to the Secretary and filed with records of the Association.

**Section 8. Meetings by Electronic Media.** The Board of Governors or any committee of the Board of Governors may, in lieu of personal meetings, hold official meetings by means of telephone, other electronic media, or any other means permitted under the laws of the State of Delaware, so long as all participants can hear each other and participate in such meetings. Participation in a meeting held in accordance with the terms of this Section 8 shall constitute presence in person at any such meeting.

#### **ARTICLE IX Fiscal Year**

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December.

#### **ARTICLE X Seal**

The corporate seal shall have inscribed thereon the name of the Association and the year of its organization and such other matter as the Board of Governors shall from time to time deem appropriate. The seal may be used by causing it or a facsimile thereof to be impressed, affixed, or otherwise reproduced.

#### **ARTICLE XI Amendments**

The By-Laws of the Association may be amended or repealed by action of either the regular members or the Board of Governors, provided that notice of the proposed action shall have been included in the notice of the meeting of the Board at which such action is taken. If any By-Laws are amended or repealed by the Board of Governors pursuant to this Article XI, notice of such action shall be provided to all the regular members within sixty (60) days after such action is taken.

**ARTICLE XII**  
**Severability**

Should any of the provisions or portions of these By-Laws be held unenforceable or invalid for any reason, the remaining provisions and portions of these By-Laws shall be unaffected by such holding.