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To the Honorable Commissioner of Patents and Trademarks, please attach original documents or copy thereof.

1. Name of conveying party(ies):

The Institute of Chartered Financial Analysts  
5 Boars Head Lane  
Charlottesville, VA 22901

- Individual(s)
- General Partnership
- Corporation-State Virginia
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies):

Association for Investment Management and Research

Internal Address:

Street Address: 560 Ray C. Hunt Dr.

City: Charlottesville State: VA ZIP: 22903-0668

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Virginia
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from Assignment)  
Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

MRD 16-6-99

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: June 1, 1999

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark registration No.(s)

0935504

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: John R. Owen, Esquire

Internal Address: Bowman and Brooke, L.L.P.

Riverfront Plaza, West Tower

Street Address: 901 East Byrd St., Ste 1500

City: Richmond State: VA ZIP: 23219

6. Total number of applications and registrations involved:

-1-

7. Total fee (37 CFR 3.41): \$ 40.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

John R. Owen, Esquire

Name of Person Signing

Signature

10/4/99

Date

Total number of pages comprising cover sheet:

-35-

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

TRADEMARK

# Commonwealth of Virginia



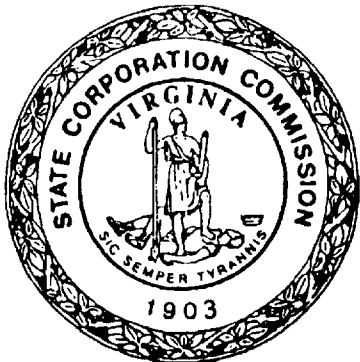
## State Corporation Commission

*I Certify the Following from the Records of the Commission:*

On June 01, 1999, by certificate of merger, The Institute of Chartered Financial Analysts, a Virginia corporation was merged into ASSOCIATION FOR INVESTMENT MANAGEMENT AND RESEARCH, a Virginia corporation, and the surviving corporation, under the name of ASSOCIATION FOR INVESTMENT MANAGEMENT AND RESEARCH, succeeded to the ownership of the property of The Institute of Chartered Financial Analysts.

Nothing more is hereby certified.

*Signed and Sealed at Richmond on this Date:  
September 29, 1999*



*Joel H. Peck*

*Joel H. Peck, Clerk of the Commission*

**ARTICLES OF MERGER  
MERCING  
THE FINANCIAL ANALYSTS FEDERATION  
AND  
THE INSTITUTE OF CHARTERED FINANCIAL ANALYSTS  
WITH AND INTO  
ASSOCIATION FOR INVESTMENT MANAGEMENT AND RESEARCH**

1. The Merger. The Plan of Merger (the "Plan") providing for the merger of The Financial Analysts Federation, a Virginia nonstock corporation ("FAF"), and The Institute of Chartered Financial Analysts, a Virginia nonstock corporation ("ICFA"), with and into Association for Investment Management and Research, a Virginia nonstock corporation ("AIMR"), is attached hereto.

2. Board Action.

A. FAF. The Board of Directors of FAF approved the Plan on February 12, 1999, and submitted the Plan to its sole voting member in accordance with the Virginia Nonstock Corporation Act (the "Act").

B. ICFA. The Board of Trustees of ICFA approved the Plan on February 12, 1999, and submitted the Plan to its sole voting member in accordance with the Act.

C. AIMR. The Board of Directors of AIMR approved the Plan on February 12, 1999, and submitted the Plan to its Regular Members (who are the only voting members of AIMR) in accordance with the Act.

3. Member Action.

A. FAF. AIMR, as the sole voting member of FAF, approved the Plan by written consent dated March 12, 1999.

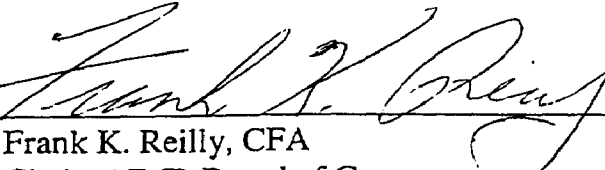
B. ICFA. AIMR, as the sole voting member of ICFA, approved the Plan by written consent dated March 12, 1999.

C. AIMR. The Plan was submitted to a duly-called meeting of the Regular Members of AIMR held on May 23, 1999, in the manner provided by the Virginia Nonstock Corporation Act. Proper notice of the meeting, including a copy of the Plan, was given to the Regular Members in accordance with the Bylaws of AIMR and the Act. A quorum of the members of AIMR entitled to vote on the Plan was present at such meeting, represented either in person or by proxy. The number of votes cast for the Plan was 12,562 and the number of votes cast against the Plan was 3,654. The number of votes cast for the Plan was sufficient for its approval.

4. Effective Date. The merger shall become effective at 12:00 A.M. EDT on June 1, 1999, upon the issuance of a Certificate of Merger by the State Corporation Commission of Virginia.

Dated: May 24, 1999

ASSOCIATION FOR INVESTMENT MANAGEMENT AND RESEARCH

By:   
Frank K. Reilly, CFA  
Chair, AIMR Board of Governors

**PLAN OF MERGER  
MERCING  
THE FINANCIAL ANALYSTS FEDERATION  
AND  
THE INSTITUTE OF CHARTERED FINANCIAL ANALYSTS  
WITH AND INTO  
ASSOCIATION FOR INVESTMENT MANAGEMENT AND RESEARCH**

1. Parties to the Merger; Effective Date. Pursuant to the provisions of the Virginia Nonstock Corporation Act (the "Act"), THE FINANCIAL ANALYSTS FEDERATION, a Virginia nonstock corporation ("FAF"), and THE INSTITUTE OF CHARTERED FINANCIAL ANALYSTS, a Virginia nonstock corporation ("ICFA"), shall be merged with and into ASSOCIATION FOR INVESTMENT MANAGEMENT AND RESEARCH, a Virginia nonstock corporation ("AIMR"). AIMR shall be the surviving entity. The merger (the "Merger") shall become effective at 12:00 A.M. EDT on June 1, 1999 (the "Effective Date") upon the issuance of a Certificate of Merger by the State Corporation Commission of Virginia.

2. Conditions to Merger. Consummation of the Merger is subject to (i) approval by the Boards of Directors of each of FAF, ICFA and AIMR, (ii) approval by AIMR as the sole voting member of each of FAF and ICFA and (iii) approval by the Regular Members of AIMR as the only voting members of AIMR.

3. Effect of Merger. As of the Effective Date (i) AIMR shall continue its existence as a Virginia corporation and the separate existence of each of FAF and ICFA shall cease; (ii) title to all property owned by all of the merging entities shall be taken and deemed to be transferred to and vested in AIMR without reversion or impairment; (iii) AIMR shall have all liabilities of all parties to the Merger; (iv) a proceeding pending by or against any of the merging entities may be continued as if the Merger did not occur, or AIMR may be

substituted for either ICFA or FAF, as applicable, in any proceeding; (v) each member of the ICFA or FAF who is not otherwise a member of AIMR shall become a member of AIMR in accordance with the terms and conditions set forth in the Amended and Restated Bylaws of AIMR; and (vi) the officers and directors of AIMR who hold office immediately prior to the Effective Date shall continue to hold office from and after the Effective Date until their successors are duly elected or appointed, as the case may be, and take office.

4. Amendment and Restatement of Articles of Incorporation. In conjunction with the Merger, the Articles of Incorporation of AIMR shall be amended and restated in the form attached hereto as Exhibit A which shall be the Articles of Incorporation of AIMR until duly altered, amended or repealed in accordance with the Act.

5. Amendment and Restatement of Bylaws. In conjunction with the Merger, the Bylaws of AIMR shall be amended and restated in the form attached hereto as Exhibit B and shall be the Bylaws of AIMR until duly altered, amended or repealed in accordance with their terms and the Act.

## EXHIBIT A

# ASSOCIATION FOR INVESTMENT MANAGEMENT AND RESEARCH

(A Virginia Nonstock Corporation)

## AMENDED AND RESTATED ARTICLES OF INCORPORATION

### ARTICLE 1 - NAME

The name of the corporation is the Association for Investment Management and Research ("AIMR").

### ARTICLE 2 - PURPOSES

The purposes of AIMR are:

- (a) to establish educational standards in the professional practices of financial analysis, investment management, securities analysis, and other similar professions (collectively, the "Investment Decision-Making Process");
- (b) to instruct and train Individual Members, Member Societies, Member Chapters (as each such term is defined in the Bylaws) and the general public in the sound and trustworthy principles, practices, and conduct with regard to the Investment Decision-Making Process;
- (c) to develop and administer examinations designed to test individual competence and skill in the professional fields of knowledge pertinent to the Investment Decision-Making Process, including granting the right to use the Chartered Financial Analyst (CFA<sup>®</sup>) designation;
- (d) to carry on, sponsor, aid, and encourage research, education, and information activities to further the purposes set forth in this Article 2;
- (e) to guide, encourage, and aid the continuing education of individuals professionally engaged in the Investment Decision-Making Process and to this end, to promote, encourage, and carry on research and the preparation, publication, and dissemination of educational materials and to conduct programs in the fields of knowledge pertinent to the professional application of the Investment Decision-Making Process;
- (f) to develop, establish, promulgate, and maintain the AIMR Code of Ethics and Standards of Professional Conduct for individuals professionally engaged in the Investment Decision-Making Process, and to enforce such standards for members;

- (g) to provide Individual Members, Member Societies and Member Chapters with opportunities for exchanging ideas and information regarding the Investment Decision-Making Process;
- (h) to promote good relations between the general public and professionals engaged in the Investment Decision-Making Process; and
- (i) to promote the welfare of members and others engaged professionally in the Investment Decision-Making Process.

### **ARTICLE 3 - POWERS**

AIMR is organized as a not-for-profit corporation pursuant to the Virginia Nonstock Corporation Act ("Act") and shall not issue shares of stock, shall not pay dividends, and no part of the assets or net earnings of AIMR shall inure to the private benefit of any director (known as a Governor as defined in Article 5 below), officer, or other individual. Notwithstanding the foregoing, AIMR may pay compensation in a reasonable amount to its officers, agents, or employees for services rendered.

AIMR shall not make any distribution upon dissolution or final liquidation except as provided herein. AIMR is organized and shall be operated as an organization described in Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law (the "Code"), and it may engage only in activities that may be carried on by a corporation exempt from federal income taxation under said section.

### **ARTICLE 4 - MEMBERS**

AIMR shall have one (1) or more classes of members as designated in its Bylaws. The Bylaws shall also state the qualifications and rights of the members of each class and shall confer, limit or deny the right to vote.

No materially adverse change shall be made to the rights and privileges of any class of Individual Members, voting or nonvoting, including but not limited to: (a) voting rights except as required by law, (b) diminution of membership rights and privileges except those that apply to all classes of Individual Members in an equitable manner, or (c) additional or different requirements to attain or maintain membership in a class of Individual Members without the affirmative vote of more than two-thirds (2/3) of the votes of the members of the class of Individual Members so affected (whether otherwise voting or nonvoting members) cast at a meeting of members at which a quorum of members entitled to vote is present.

### **ARTICLE 5 - BOARD OF GOVERNORS**

All corporate powers shall be exercised by or under the authority of, and the business of AIMR managed under the direction of, its board of directors, subject to any limitation contained herein.



The board of directors shall be known as the Board of Governors (the "Board") and the directors shall be known as Governors. The number of Governors shall be fixed in accordance with the Bylaws, but shall not be less than nineteen (19) nor more than twenty-five (25) Governors, including *ex officio* Governors.

The President shall serve as an *ex officio* member of the Board for a term concurrent with his or her respective term in office. Except as set forth in the last sentence of this Article 5, other Governors shall each serve for a term of three (3) years, staggered so that, as nearly as possible, the terms of one-third (1/3) of such Governors shall expire at the end of AIMR's fiscal year. Each Governor shall serve until the election and qualification of his or her successor. In the event that any Past Chair, Chair or Vice-Chair is either (i) not an elected Governor immediately prior to serving in such office or (ii) an elected Governor whose term on the Board has or would otherwise expire prior to or during his or her term in such office, the Past Chair, Chair or Vice-Chair shall serve as an *ex officio* member of the Board for a term concurrent with his or her term in office.

## ARTICLE 6 - DISSOLUTION

In the event of dissolution of AIMR, the assets of AIMR shall be applied and distributed in the following order:

- (a) all liabilities and obligations of AIMR shall be paid, satisfied, and discharged or adequate provision shall be made therefor;
- (b) assets held by AIMR upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements;
- (c) assets received and held by AIMR subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes, but not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or conveyed to one (1) or more domestic or foreign corporations, societies, or organizations engaged in activities substantially similar to those of AIMR, pursuant to a plan of distribution adopted as provided by law or as a court may direct; and
- (d) all of the remaining assets of AIMR shall be distributed to one (1) or more organizations serving the general interests of professions involving the Investment Decision-Making Process, as may be selected by the Board, but no distribution upon dissolution shall be made to any organization that is not exempt from federal income taxation under either Section 501(c)(3) or Section 501(c)(6) of the Code, or successor provisions of any future applicable tax code.

## ARTICLE 7 - LIMIT ON LIABILITY AND INDEMNIFICATION

To the fullest extent that the Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of directors or officers of a corporation to the corporation or its members, a Governor or officer of AIMR shall not be liable to AIMR or its members for monetary damages.

To the fullest extent permitted and in the manner prescribed by the Act and any other applicable law, AIMR shall indemnify against liability, and advance reasonable expenses to, any individual who was, is, or is threatened to be made a party in any threatened, pending, or completed action, suit, proceeding, or appeal, whether civil, criminal, administrative, or investigative and whether formal or informal, because he or she is or was a Governor or officer of AIMR or, while a Governor or officer of AIMR, is or was serving at AIMR's request as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise: AIMR may (but shall not be required to) indemnify, and advance reasonable expenses to, an employee or agent of AIMR who is not a Governor or officer of AIMR to the same extent as if he or she were a Governor or officer of AIMR. The Board may, by a majority vote of a quorum of the disinterested Governors, authorize and enter into a contract on behalf of AIMR to indemnify any Governor, officer, or any other individual designated above, to the same extent as provided above relating to Governors and officers, for matters occurring before or after the execution of such contract.

AIMR may purchase and maintain insurance to indemnify it, in whole or in part, against any liability assumed by it in accordance with this Article 7 and may also procure insurance, in such amounts as the Board may determine, on behalf of any individual who is or was a Governor, officer, partner, trustee, employee, or agent of AIMR or is or was serving at the request of AIMR as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against or incurred by any such individual in any such capacity or arising from his or her status as such, whether or not AIMR would have the power to indemnify him or her against such liability under the provisions of this Article 7.

## EXHIBIT B

# ASSOCIATION FOR INVESTMENT MANAGEMENT AND RESEARCH

(A Virginia Nonstock Corporation)

## AMENDED AND RESTATED BYLAWS

### ARTICLE 1 - NAME, LOCATION AND CORPORATE SEAL

- 1.1 **Name.** The name of the corporation is the Association for Investment Management and Research ("AIMR").
- 1.2 **Location.** The principal office of AIMR shall be located at such place as the Board of Governors (the "Board") may determine from time to time.
- 1.3 **Corporate Seal.** The corporate seal shall consist of a circular die bearing AIMR's name and the year of incorporation. The form of the seal may be changed by the Board.

### ARTICLE 2 - DEFINITIONS

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

- 2.1 **"Acceptable Professional Work Experience":**
  - (a) as it relates to applicants seeking to become Regular Members or Affiliate Members, includes activities that consist to a majority extent of:
    - (i) 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 a diversified, securities-oriented investment portfolio; or
    - (ii) supervising, directly or indirectly, persons who practice such activities; or
    - (iii) teaching such activities.
  - (b) as it relates to Candidates seeking to receive the right to use the Chartered Financial Analyst (CFA<sup>®</sup>) designation, includes activities that consist to a significant extent of:

- (i) collecting, evaluating, or applying financial, economic, or statistical data, as appropriate, as part of the Investment Decision-Making Process;
  - (ii) supervising, directly or indirectly, persons who practice such activities; or
  - (iii) teaching of such activities.
- 2.2 **“Affiliate Member”** is an individual who has met the membership requirements set forth in Section 3.3 of the Bylaws and whose membership has not been revoked or suspended.
- 2.3 **“Articles of Incorporation”** refers to the Articles of Incorporation of AIMR as the same may be amended from time to time.
- 2.4 **“Board”** is the Board of Governors of AIMR.
- 2.5 **“Bylaws”** refers to the Bylaws of AIMR as the same may be amended from time to time.
- 2.6 **“Candidate”** is an individual:
- (a) whose application for registration in the CFA Program has been accepted by AIMR, as evidenced by the issuance of a notice of acceptance, and who is enrolled to sit for a specified examination level (“Exam”) in the CFA Program; and
  - (b) who has not
    - (i) received Exam results;
    - (ii) voluntarily removed himself or herself from the CFA Program;
    - (iii) failed to sit for an Exam; or
    - (iv) otherwise been removed from the CFA Program.
- 2.7 **“CFA Program”** is the Chartered Financial Analyst (CFA<sup>®</sup>) study and examination program developed and administered by AIMR.
- 2.8 **“Chair”** is the presiding officer of the AIMR Board of Governors as more particularly described in Section 6.2 of the Bylaws.
- 2.9 **“Chartered Financial Analyst”** and **“CFA<sup>®</sup>”** are marks of AIMR that Charterholder Members use as a professional designation.

- 2.10 **“Charterholder Member”** is an individual who has met the membership requirements set forth in Section 3.4 of the Bylaws and whose membership has not been revoked or suspended.
- 2.11 **“Code and Standards”** is the AIMR Code of Ethics and Standards of Professional Conduct, as the same may be amended from time to time.
- 2.12 **“Covered Person”** is any individual who is: a Regular Member, an Affiliate Member, a Charterholder Member, a Candidate or a Postponed Candidate.
- 2.13 **“Designated Officer”** is a Regular Member appointed by the Board to oversee AIMR's operation of the Professional Conduct Program.
- 2.14 **“Disciplinary Sanctions”** are those disciplinary sanctions more particularly described in Section 12.4 of the Bylaws.
- 2.15 **“Formal Proceeding”** is an investigation through the Professional Conduct Program that has reached a critical level in that the underlying professional conduct of the Covered Person appears to be a violation of the Code and Standards and the Covered Person has been sent a Notice of Inquiry.
- 2.16 **“Governor”** is an individual serving on the Board in accordance with the Articles of Incorporation and Article 5 of the Bylaws.
- 2.17 **“In Good Standing”** refers to an Individual Member who has paid all applicable AIMR dues in full and is not currently the subject of a Formal Proceeding or Disciplinary Sanction.
- 2.18 **“Individual Member”** refers to Regular Members, Affiliate Members, and Charterholder Members.
- 2.19 **“Investment Decision-Making Process”** is the professional practice of financial analysis, investment management, securities analysis, or other similar professions.
- 2.20 **“Investment Professional”** is an individual who evaluates or applies financial, economic and statistical data as part of the Investment Decision-Making Process.
- 2.21 **“Member Chapter”** is a group consisting of a majority of Individual Members that is recognized and supported as a potential Member Society by a Member Society or AIMR.
- 2.22 **“Member Society”** is a group of AIMR Members who have combined for purposes substantially similar to the purposes set forth in AIMR's Articles of Incorporation and who have been accepted as a Member Society of AIMR.
- 2.23 **“Member's Agreement”** is a document prepared by AIMR setting forth member obligations and responsibilities that must be signed by every Individual Member.

- 2.24 **“Nominating Committee”** is a committee of the Board that is established and functions in accordance with Article 9 of the Bylaws.
- 2.25 **“Notice of Inquiry”** is a letter from AIMR to a Covered Person, as detailed in the Rules of Procedure, notifying the Covered Person of the conduct under inquiry and the right to counsel, and requesting a response in writing within a specified time period.
- 2.26 **“Past Chair”** is the individual who served as the Chair immediately prior to the current Chair’s term.
- 2.27 **“Postponed Candidate”** is an individual who has registered for the CFA Program, but is not a Candidate as defined in the Bylaws.
- 2.28 **“Presidents Council”** is an AIMR committee that is established and functions in accordance with Article 8 of the Bylaws.
- 2.29 **“Presidents Council Representative”** is an individual selected by the Presidents Council to serve in such role in accordance with Article 8 of the Bylaws.
- 2.30 **“Professional Conduct Committees”** are the Disciplinary Review Committee (as defined in Section 12.8 of the Bylaws), the Standards Policy Committee (as defined in Section 12.9 of the Bylaws) and any other professional conduct committee established by AIMR from time to time in accordance with the Bylaws.
- 2.31 **“Professional Conduct Program”** is the program established by AIMR to administer professional conduct matters under the guidance of the Professional Conduct Committees as more particularly described in Article 12 of the Bylaws.
- 2.32 **“Professional Conduct Statement”** is a form prepared by AIMR inquiring into a member’s conduct that must be signed and submitted on an annual basis by each Individual Member except those members excused in accordance with the Bylaws on or before a date designated by AIMR.
- 2.33 **“Research Foundation”** is The Research Foundation of the Institute of Chartered Financial Analysts and any successor thereof, including by change of name.
- 2.34 **“Regular Member”** is an individual who has met the membership requirements set forth in Section 3.2 of the Bylaws and whose membership has not been revoked or suspended.
- 2.35 **“Rules of Procedure”** are the Rules of Procedure for Proceedings Related to Professional Conduct as the same may be amended from time to time, which govern the procedures to which both AIMR and Covered Persons must adhere when a professional conduct matter is investigated.

## ARTICLE 3 - MEMBERS AND CANDIDATES

- 3.1 Classes of Members.** The classes of members in AIMR are Regular Members, Affiliate Members, Charterholder Members, Member Societies and Member Chapters.
- 3.2 Regular Members.**
- (a) Each applicant seeking to become a Regular Member of AIMR or of any Member Society or Member Chapter shall:
- (i) hold a bachelor's degree from an accredited academic institution or have equivalent education or work experience as determined by AIMR;
  - (ii) have attained one (1) or more of the following:
    - (A) three (3) years of Acceptable Professional Work Experience and passage of Level I of the CFA Program, or such other appropriate examination approved by the Board;
    - (B) six (6) years of Acceptable Professional Work Experience and passage of a self-administered standards of professional conduct examination approved by the Board; or
    - (C) be a Charterholder Member;
  - (iii) at the time of application, either be engaged in employment described under the definition of Acceptable Professional Work Experience or be a Charterholder Member;
  - (iv) sign and submit to AIMR a Member's Agreement and a Professional Conduct Statement; and
  - (v) complete any additional application procedures or requirements established by AIMR.
- (b) Upon satisfaction of the requirements set forth in Section 3.2(a) and acceptance by AIMR, an applicant shall become a Regular Member.
- 3.3 Affiliate Members.**
- (a) Each applicant seeking to become an Affiliate Member of AIMR shall:
- (i) be an individual who at least one (1) Member Society or Member Chapter has accepted as an affiliate member and whose membership in such Member Society or Member Chapter has not been revoked or suspended;

- (ii) sign and submit to AIMR a Member's Agreement and a Professional Conduct Statement; and
  - (iii) complete any additional application procedures or requirements established by AIMR and, when applicable, the appropriate Member Society or Member Chapter.
- (b) Upon satisfaction of the requirements in Section 3.3(a) and acceptance by AIMR, an applicant shall become an Affiliate Member.
- (c) For purposes of Section 3.3(a)(i), in the event that a Member Society or Member Chapter ceases to exist by reason of dissolution or otherwise, such Member Society or Member Chapter may designate AIMR to serve in the capacity of a Member Society or Member Chapter in order that the affiliate members of such Member Society or Member Chapter can maintain their status as Affiliate Members.

### **3.4 Charterholder Members.**

- (a) Each applicant seeking to become a Charterholder Member of AIMR shall:
- (i) be an individual who has satisfied (1) the requirements to become a Regular Member and (2) the requirements of the CFA Program as established by AIMR and achieved the minimum passing score as determined in accordance with Section 5.8(c) of the Bylaws; and
  - (ii) complete and submit any additional application procedures or requirements established by AIMR.
- (b) Upon satisfaction of the requirements in Section 3.4(a) and acceptance by AIMR, an applicant shall become a Charterholder Member and be granted the right to use the Chartered Financial Analyst (CFA<sup>®</sup>) designation.

### **3.5 Individual Members, Candidates and Postponed Candidates Responsibilities.**

- (a) Each Individual Member, Candidate and Postponed Candidate shall:
- (i) adhere to all applicable rules and regulations, including the Articles of Incorporation and 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 AIMR;
  - (iii) submit information requested relating to professional conduct and activities;



- (iv) produce documents, testify and otherwise cooperate in disciplinary proceedings of AIMR including adhering to the Rules of Procedure; and
  - (v) adhere to such other requirements as set forth from time to time by AIMR.
- (b) In addition to the responsibilities set forth above in Section 3.5(a), Individual Members In Good Standing must also:
- (i) annually file a Professional Conduct Statement unless excused pursuant to Section 12.2(b) of the Bylaws; and
  - (ii) annually pay membership dues.

**3.6 Application for Individual Membership.** Any individual applying to become a Regular Member, an Affiliate Member or a Charterholder Member in AIMR or a regular member or an affiliate member in any Member Society or Member Chapter shall file with AIMR an application for membership, along with additional information or documents as required by AIMR.

**3.7 Voting Rights.** Regular Members In Good Standing have voting rights in AIMR and each Regular Member In Good Standing shall be entitled to one (1) vote on each matter submitted to the Regular Members. Affiliate Members, Charterholder Members, Member Societies and Member Chapters do not have voting rights in AIMR. Candidates and Postponed Candidates are not members of AIMR unless otherwise associated with AIMR as Regular Members or Affiliate Members.

**3.8 Dues.** The Board shall have the right to set and collect dues for membership in AIMR. Any Individual Member who fails to pay annual membership dues in full shall be automatically suspended from membership in AIMR and any Member Society and Member Chapter without the necessity of any action by AIMR or the applicable Member Society or Member Chapter. When payment is made in full, such member shall be automatically reinstated, subject to the Bylaws.

**3.9 Resignation.** Any Individual Member may at any time cease to be a member of AIMR, a Member Society or a Member Chapter by submitting a notice of resignation to AIMR. 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. AIMR shall notify each applicable Member Society or Member Chapter of the resignation.

**3.10 Suspension or Revocation of Membership.**

(a) Individual Members.

- (i) An Individual Member's membership in AIMR and any Member Society or Member Chapter may be suspended or revoked at any time by AIMR for any violation of Section 3.5.

(ii) An Individual Member whose membership is revoked or suspended shall not be entitled to any rights or privileges of membership, including, when applicable, the right to use the Chartered Financial Analyst (CFA<sup>®</sup>) designation and being named on future published membership lists.

(b) Candidates and Postponed Candidates. Any Candidate or Postponed Candidate may be suspended or removed from the CFA Program, at any time for any violation of Section 3.5(a).

**3.11 Membership List and Member Records.** AIMR shall keep a list of the names, business addresses, business affiliations and membership classifications of all AIMR members and such other records and information relating thereto as the Board shall determine.

**3.12 Member Societies and Member Chapters.**

(a) Requirements for Membership. Applicants seeking to become a Member Society or Member Chapter of AIMR shall submit one application to AIMR for approval in accordance with the Bylaws, policies and procedures approved by the Board, and the provisions of this Section 3.12.

(b) Application for Membership. Each application for membership as a Member Society or Member Chapter shall be accompanied by:

(i) copies of the society's or chapter's constitution or charter and bylaws;

(ii) a brief history of the society or chapter and a statement of its current activities; and

(iii) a complete roster of its current members, business affiliations and their occupations.

(c) Bylaws. The bylaws of each Member Society or Member Chapter shall provide that all of its regular members and affiliate members admitted after May 22, 1995 shall meet the membership requirements of Regular Members and Affiliate Members, respectively, of AIMR.

(d) Adoption of the Code and Standards.

(i) Each Member Society and Member Chapter shall adopt the Code and Standards and shall provide in their bylaws that their regular members and affiliate members shall be subject to and comply with the Code and Standards.

(ii) The bylaws of each Member Society and Member Chapter shall provide that all authority and responsibility for enforcement of the Code and

Standards with respect to regular members and affiliate members of the Member Society or Member Chapter are delegated to AIMR.

(e) Membership in a Member Society or Member Chapter.

- (i) No Member Society or Member Chapter shall admit or retain an individual as a regular member who is not a Regular Member of AIMR.
- (ii) All affiliate members of a Member Society or Member Chapter shall become Affiliate Members of AIMR, subject to the applicable provisions of the Bylaws.
- (iii) Any individual whose membership as a Regular Member or Affiliate Member has been revoked or suspended by AIMR may not retain membership in a Member Society or Member Chapter while such revocation or suspension is in effect.
- (iv) A Member Society or Member Chapter shall not impose any requirements on its regular members or on individuals applying to be regular members of the Member Society or Member Chapter other than those listed in Section 3.2 of the Bylaws.
- (v) Each Member Society and Member Chapter shall have the right to review all applications for regular membership in the society or chapter, as applicable. In the event of disagreement concerning administration of the membership requirements listed in Section 3.2 of the Bylaws, a Member Society or Member Chapter shall have the right to appeal to the AIMR Board or a designated committee thereof.
- (vi) The Board, or a designated committee thereof, shall have the authority to make final determinations on the application of membership provisions listed in Section 3.2 of the Bylaws.

**3.13 Termination of Membership.** The membership of any Member Society or Member Chapter in AIMR may be terminated or suspended by a vote of two-thirds (2/3) of the Governors then serving.

## ARTICLE 4 - MEETINGS OF THE MEMBERS

### 4.1 Meetings.

- (a) All meetings of the members shall be held at suitable times and places within or without the Commonwealth of Virginia, as determined by the Board.
- (b) There shall be an annual meeting of the members.
- (c) Special meetings of the members shall be called:

- (i) by the Board or the Chair; or
  - (ii) by the Secretary, upon receipt of a written petition signed by one-twentieth (1/20) of the Regular Members In Good Standing.
- (d) Only business within the purpose or purposes described in the meeting notice shall be conducted at a special meeting.

#### 4.2 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 AIMR membership records, not less than ten (10) or more than sixty (60) days before the meeting date unless a different notice period is required by law.
- (b) Notice of any meeting may be waived in writing signed by the member entitled to notice before or after the date of the meeting. A Regular Member who attends a meeting in person or by proxy:
- (i) waives objection to lack of notice or defective notice of the meeting unless the Regular Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and
  - (ii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice unless the Regular Member objects to considering the matter when it is presented.

4.3 **Quorum.** At any meeting of the members, ten percent (10%) of all Regular Members In Good Standing represented in person or by proxy at such meeting shall constitute a quorum for the transaction of business. If less than a quorum is present in person or by proxy, the Chair may adjourn the meeting to a fixed time and place determined by the Chair or Secretary.

#### 4.4 Voting.

- (a) Each Regular Member In Good Standing shall be entitled to one (1) vote.
- (b) A majority of the votes cast in person or by proxy, in hard or, when permitted by applicable by law, electronic form, at a meeting at which a quorum is present shall

be required for adoption of any matter voted upon, except as otherwise required by the Bylaws, the Articles of Incorporation, or applicable law.

## ARTICLE 5 - BOARD OF GOVERNORS

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

### **5.2 Composition and Qualification.**

- (a) The number of Governors (including *ex officio* Governors as defined in the Articles of Incorporation) shall be not less than nineteen (19) and not more than twenty-five (25) and shall be determined by the Board from time to time. The President, Chair, Vice-Chair and Past Chair shall serve as *ex officio* Governors in accordance with the Articles of Incorporation.
- (b) The Board may have up to two (2) Governors who are not Regular Members. All other Governors shall be Regular Members In Good Standing.
- (c) Other than nominations submitted by petition of Regular Members as provided in the Bylaws, nominations to elect Governors shall be made by the Nominating Committee in accordance with the Bylaws.

### **5.3 Terms and Elections.**

- (a) Governors, excluding those serving in an *ex officio* capacity, shall be elected by the Regular Members In Good Standing at the annual meeting of members for a term of three (3) years, staggered so that, as nearly as possible, the terms of one-third (1/3) of such Governors, shall expire at the end of AIMR's fiscal year end and until the election and qualification of their successors.
- (b) When the number of nominees for Governor exceeds the number of individuals to be elected, the nominees receiving the highest number of votes shall be elected.

**5.4 Vacancies.** A Governor's vacancy for any reason may be filled by the Board by the appointment of a successor for the unexpired term of the Governor whose place is vacant.

### **5.5 Meetings.**

- (a) Meetings of the Board shall be called by:
  - (i) the Board;
  - (ii) the Chair; or

- (iii) the Secretary, upon the written request of a majority of the Governors.
- (b) The date, time, and place of the Board meetings shall be designated by the Board, Chair or Secretary.
- (c) The chair of the Presidents Council and the Presidents Council Representatives shall be invited to attend non-executive sessions of Board meetings.

#### 5.6 Notice.

- (a) Regular meetings of the Board shall be held, with or without notice, at such dates, times and places as the Board may determine by vote.
- (b) Written notice shall, when required, be sent by the Secretary and shall:
  - (i) state the date, time and place of the meeting; and
  - (ii) be delivered, mailed, or expressed to each Governor at least fifteen (15) days before the meeting date or be given by telephone, telegraph, facsimile, electronic mail, or other reliable means at least twenty-four (24) hours before the meeting date.
- (c) The business to be transacted or the purpose of any Board meeting is not required to be specified in the notice or a waiver of notice of any Board meeting.
- (d) Notice of any meeting may be waived in writing signed by the individual entitled to notice before or after the date of the meeting.
- (e) A Governor who attends a meeting in person or through the use of any means of communication by which all Governors may simultaneously hear each other during the meeting shall be deemed to have had timely and proper notice of the meeting.

5.7 **Quorum.** Except as otherwise provided in the Bylaws or by law, at any meeting of the Board, a majority of the Governors then serving who are present in person or through the use of any means of communication by which all Governors may simultaneously hear each other during the meeting shall constitute a quorum. For the purpose of determining the minimum passing score(s) of the CFA Program, a majority of the Governors that are Charterholder Members shall constitute a quorum.

#### 5.8 Voting.

- (a) Each Governor, including *ex officio* Governors, shall be entitled to one (1) vote, which shall not be voted by proxy.

- (b) The act of a majority of the Governors 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.
- (c) The act of a majority of the Governors who are Charterholder Members voting at a meeting called for the purpose of determining the minimum passing score(s) of the CFA Program at which a quorum is present, shall be the act of the Board.

## **ARTICLE 6 - OFFICERS**

### **6.1 Number, Designation and Qualifications.**

- (a) The officers of AIMR shall be a Chair, a Vice-Chair, a President, a Treasurer, a Secretary and such other officers as the Board, Executive Committee, or President may determine.
- (b) Only Regular Members In Good Standing may serve as the Chair, Vice-Chair, or President of AIMR.

### **6.2 Chair. The Chair shall:**

- (a) preside at all Board and member meetings;
- (b) be the representative of the Board and the Executive Committee; and
- (c) have such other duties and powers as prescribed in the Bylaws, the Articles of Incorporation, by the Board, and by law.

### **6.3 Vice-Chair. The Vice-Chair shall:**

- (a) perform the duties of the Chair in his or her absence;
- (b) automatically become the chair of AIMR in the event of the Chair's incapacity, resignation, removal or death; and
- (c) have such other duties and powers as prescribed in the Bylaws, the Articles of Incorporation, by the Board, and by law.

### **6.4 President.**

- (a) The President shall:
  - (i) be a Charterholder Member;
  - (ii) be appointed by the Board to serve at its pleasure;
  - (iii) be entitled to compensation as approved by the Executive Committee;

- (iv) be the chief executive officer of AIMR;
  - (v) have the power and authority to appoint and remove officers other than the Chair, Vice-Chair, Secretary and Treasurer;
  - (vi) have management, supervision and control of and responsibility for the business of AIMR, subject to the direction of the Board; and
  - (vii) 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, and the President and AIMR officers shall have the power, to effectuate all orders and resolutions of the Board.

## 6.5 Secretary and Treasurer.

- (a) The Secretary shall:
- (i) act as secretary at all Board and member meetings, including maintaining minutes of such meetings;
  - (ii) maintain the corporate seal and certify the authenticity of Board actions and officer signatures; and
  - (iii) have such other duties and powers as prescribed in the Bylaws, the Articles of Incorporation, by the Board, and by law.
- (b) The Treasurer shall:
- (i) oversee the receipt and disbursement of all funds;
  - (ii) maintain AIMR's financial records and statements;
  - (iii) submit an annual financial statement and budget to the Board and such other statements as the Chair may require; and
  - (iv) have such other duties and powers as prescribed in the Bylaws, the Articles of Incorporation, the Board, and by law.

## 6.6 Election and Term.

- (a) Elected Officers.
- (i) The Chair and Vice-Chair shall be elected by the Regular Members In Good Standing at each annual meeting of members.



- (ii) The Secretary and Treasurer and such other officers as the Board may determine in accordance with the Bylaws shall be elected by the Board at each annual meeting of the Board.
  - (iii) Each elected officer shall serve for a term of one (1) year, commencing on the first day of AIMR's fiscal year following his or her election and continuing until the choosing and qualification of his or her successor.
- (b) Appointed Officers.
- (i) Except for the President who shall be appointed by the Board, all other officers shall be appointed by the Executive Committee or the President.
  - (ii) Each appointed officer shall serve at the pleasure of the person or group that appointed him or her.

**6.7 Vacancies.** A vacancy in any office, except as otherwise provided in the Bylaws, may be filled by the Board for all elected officers and the President, and by the Executive Committee or President for appointed officers (other than the President) by the appointment of a successor for the unexpired term of the officer whose place is vacant.

## **ARTICLE 7 - COMMITTEES**

### **7.1 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 or an Oversight Committee designated by the Board and the Board or designated Oversight Committee 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.

### **7.2 Executive Committee.**

- (a) Authority and Responsibility. AIMR shall have an Executive Committee that shall:

- (i) act for the Board between Board meetings on all matters to the extent permitted by law and in accordance with the authority delegated to the Executive Committee by the Board from time to time when necessary;
- (ii) consider and approve compensation policies;
- (iii) monitor each Governor's performance on the Board;
- (iv) establish, monitor and assess Oversight Committee and Nominating Committee activities, performance and operational procedures;
- (v) give guidance to the Nominating Committee on areas of AIMR membership that may not be adequately represented on the Board, including Member Society, Member Chapter and Charterholder representation; and
- (vi) appoint Oversight Committee members.

(b) Composition.

- (i) The Executive Committee shall consist of the AIMR Chair, Vice-Chair, Past Chair, President and the chair of each Oversight Committee.
- (ii) The AIMR Chair shall be the chair of the Executive Committee.

**7.3 Oversight Committees.**

(a) Authority and Responsibility. The Board may establish one (1) or more Oversight Committees that, to the extent specified by the Board and as permitted by law, may exercise the authority of the Board, including the exercise of corporate powers, policy-making and management.

(b) Composition. Each Oversight Committee shall consist of two (2) or more Governors.

(c) Purpose. The following Oversight Committees shall be established:

- (i) Planning Committee. The Planning Committee shall oversee AIMR's strategic direction and priorities through activities including, but not limited to, long-range planning, budget development, and establishing membership criteria and requirements.
- (ii) Operational Oversight and Audit Committee. The Operational Oversight and Audit Committee shall oversee AIMR's ongoing operations through activities including, but not limited to, assessing the performance of products and services, monitoring financial performance and AIMR's financial statement audit.

- (iii) Communications Committee. The Communications Committee shall oversee AIMR's communications activities including, but not limited to, establishing communication and awareness plans with both internal and external constituents, developing relationships with other organizations, and recommending AIMR award recipients.

**7.4 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 Chair of AIMR, 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, provided, however, that no individual shall serve as a committee chair for more than three (3) consecutive years except to the extent his or her successor has not been selected and qualified;
- (c) each member of a committee shall be a Regular Member In Good Standing except to the extent that the AIMR Chair, the Board or the Oversight Committee having responsibility for such committee shall determine otherwise;
- (d) the chair of each committee, with prior approval of the chair of the Oversight Committee having responsibility for such committee, shall appoint the other members of the committee to serve for a term of one (1) year or such longer period as the AIMR Chair may determine and shall serve until his or her successor is selected and qualified, provided, however, that no individual shall serve as a member of a committee (including anytime as committee chair) for more than six (6) consecutive years except to the extent his or her successor has not been selected or qualified; and
- (e) Governors may only serve as observers on a committee, except for the Executive Committee, any Oversight Committee and the Nominating Committee, or unless the appointment of such individual to a committee is approved by the Board.

**7.5 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.

**7.6 Reports of Committees.** Each of the committees shall submit a written report to the Board or the Oversight Committee designated by the Board to oversee such committee at least once each fiscal year covering the committee activities since the previous report. Each committee shall report to the Board or applicable Oversight Committee at any time upon the request of the AIMR Chair or applicable Oversight Committee chair.

## ARTICLE 8 - PRESIDENTS COUNCIL

**8.1 Authority and Responsibilities.** A committee known as the "Presidents Council" shall be established that:

- (a) provides a forum for discussion among the presidents of the Member Societies and Member Chapters;
- (b) facilitates communication of information among Member Societies and Member Chapters;
- (c) makes recommendations regarding Member Society and Member Chapter activities;
- (d) provides advice and consultation to Presidents Council Representatives, AIMR officers and the Board, including advice and consultation regarding nominations for the Board, Chair and Vice-Chair;
- (e) provides advice and consultation to the Oversight Committee having responsibility for the Presidents Council on the number of Presidents Council Representatives; and
- (f) elects Presidents Council Representatives.

**8.2 Composition and Chair.** The Presidents Council shall be composed of the president of each Member Society and Member Chapter. The chair of the Presidents Council shall be elected by a majority of the members of the Presidents Council, and the chair is authorized to attend non-executive sessions of Board meetings.

**8.3 Meetings.** The Presidents Council shall meet at least once per year.

**8.4 Votes.** Each member of the Presidents Council shall have one (1) vote and may designate an alternate representative, if such president is unable to attend any meeting.

**8.5 Presidents Council Representatives.**

- (a) Authority and Responsibilities. The Presidents Council shall select Presidents Council Representatives that shall facilitate communication of information between the Board and the members of the Presidents Council, and the Presidents Council Representatives are authorized to attend non-executive sessions of Board meetings.
- (b) Composition. Presidents Council Representatives shall be Regular Members In Good Standing selected by the Presidents Council pursuant to procedures

established by the Presidents Council. The number of Presidents Council Representatives shall not be less than eight (8) nor more than thirteen (13) and, in the absence of Board action, shall be eight (8).

## ARTICLE 9 - NOMINATING PROCESS AND ELECTION

### 9.1 Nominating Committee.

- (a) Authority and Responsibility. Nominations for Governor and for the offices of Chair, Vice-Chair, and, in the absence of action by the Executive Committee, Treasurer and Secretary, shall be made by the Nominating Committee, subject to approval of the Board.
- (b) Composition. The Nominating Committee shall be composed of:
  - (i) the Past Chair (who shall serve as chair of the committee);
  - (ii) two (2) Regular Members In Good Standing who are serving as a Governor;
  - (iii) one (1) Regular Member In Good Standing that is a Charterholder Member appointed by the committee(s) responsible for developing the CFA Program curriculum and exam(s); and
  - (iv) one (1) Regular Member In Good Standing appointed by the Presidents Council Representatives.
- (c) If the Past Chair is unable for any reason to serve as chair of the committee, the Chair shall serve such function.

### 9.2 Nominations.

Nominees shall be selected by the Nominating Committee and approved by the Board. In carrying out its duties, the Nominating Committee shall seek to:

- (a) nominate individuals to the Board who, in the committee's judgment, will cause the Board to be composed of a wide and balanced range of individuals professionally engaged in the Investment Decision-Making Process;
- (b) select the very best candidates while striving to ensure that the diversity of characteristics of the AIMR membership is adequately represented on the Board;
- (c) consider nominees that have shown strong and active commitment and participation to Member Society activities or Member Chapter activities, the CFA Program, AIMR's Advocacy, Standard Setting, Professional Conduct, Public Awareness programs and Continuing Education;

- (d) be mindful of the diversity of job functions, industry sectors, and geographical locations and the many other differences in member perspectives that the Nominating Committee judges to be significant in seeking to achieve a Board that can act effectively in the best interest of all Regular Members, Affiliate Members, Charterholder Members, Member Societies and Member Chapters; and
- (e) at the Executive Committee's direction, nominate an individual(s) that is not a Regular Member, who in the Nominating Committee's judgment, will cause the Board to have the very best candidates(s) to assist AIMR in meeting the purposes set forth in Article 2(h) and (i) of the AIMR Articles of Incorporation.

**9.3 Solicitations of Nominations.** The Nominating Committee shall solicit candidates for each available position that the committee is seeking to fill. Solicitation of candidates shall commence promptly after the Nominating Committee has been duly appointed. The names of nominees will be published no later than seventy (70) days prior to the annual meeting of members.

**9.4 Nominations of Nominating Committee Members.** No member of the Nominating Committee, while serving on the committee, shall be nominated for a Board or officer position.

**9.5 Nominations by Members.** Any Regular Member In Good Standing may submit additional written nominations for Governors that are Regular Members In Good Standing and for the offices of Chair and Vice-Chair if:

- (a) sponsored in writing by at least five percent (5%) of the Regular Members In Good Standing;
- (b) written consent from the nominee has been obtained; and
- (c) documents supporting both (a) and (b) are submitted to the Secretary no later than sixty (60) days before the annual meeting.

## **ARTICLE 10 - FINANCES**

**10.1 Fiscal Year.** The fiscal year of AIMR shall begin on September 1 of each year unless otherwise determined by the Board.

**10.2 Dues.** The Board shall establish, and may change, dues for members of AIMR. Such dues may be set at levels and for classifications of members as determined by the Board. Members shall pay dues to AIMR by such time as determined by AIMR.

**10.3 Audit Review.** Financial statements of AIMR shall be audited not less than once per year by an independent certified public accountant approved by the Board.

## ARTICLE 11 - CFA RESERVE FUND

- 11.1 Reserve Fund.** AIMR shall maintain one (1) or more reserve funds, one of which shall be called the CFA Reserve Fund.
- 11.2 Purpose.** The CFA Reserve Fund may be used as appropriate to preserve and enhance the value of the CFA Program as determined by the Board.
- 11.3 Administration.** The Operational Oversight and Audit Committee shall administer the CFA Reserve Fund.
- 11.4 Funding.** The CFA Reserve Fund shall be funded by AIMR at the end of each fiscal year by an amount equal to the net gain or reduction in the number of Charterholder Members In Good Standing multiplied by two hundred and fifty U.S. dollars (\$250). In addition, any funds, not to exceed nine hundred and fifty thousand U.S. dollars (\$950,000), received by AIMR from the Research Foundation upon dissolution of the Research Foundation or its inability to carry out its exempt purposes shall be added to the CFA Reserve Fund. Any income earned on the CFA Reserve Fund shall not be included in the CFA Reserve Fund.
- 11.5 Investment Policy.** The CFA Reserve Fund shall be invested pursuant to an investment policy of preservation of principal and generation of current income.

## ARTICLE 12 - PROFESSIONAL CONDUCT PROGRAM

- 12.1 Professional Conduct Program.** AIMR shall establish a Professional Conduct Program overseen by the Professional Conduct Committees that will administer professional conduct services for AIMR, Individual Members, Member Societies and Member Chapters, including, but not limited to:
- (a) providing ethics and professional conduct education;
  - (b) reviewing and revising the Code and Standards, the AIMR Standards of Practice Handbook, similar AIMR publications and other ethics and professional conduct material;
  - (c) establishing ethics and professional conduct standards subject to Board approval;
  - (d) investigating and conducting proceedings in connection with professional conduct matters involving Covered Persons; and
  - (d) imposing Disciplinary Sanctions for proceedings related to ethics and professional conduct.

## 12.2 Professional Conduct Statement.

- (a) Applicants for enrollment to sit for each level of the CFA Program shall complete and file with AIMR a statement that is substantially similar to the Professional Conduct Statement before becoming a Candidate.
- (b) An Individual Member who has retired from the profession, as determined by AIMR, shall be excused from annually filing a Professional Conduct Statement upon the completion of a form prepared for that purpose by AIMR.

## 12.3 Grounds for Discipline. Disciplinary Sanctions may be imposed upon Covered Persons for:

- (a) violation of the Articles of Incorporation, Bylaws, Code and Standards, Member's Agreement, and/or the Rules of Procedure or other applicable rules, all of which may be amended from time to time;
- (b) imposition of a disciplinary sanction or injunction by a governmental or judicial agency or by a public or private self-regulatory organization with jurisdiction over any aspect of the Investment Decision-Making Process;
- (c) conviction of or guilty plea to a crime defined as a felony, under the laws of the convicting jurisdiction, or, if the laws of the convicting jurisdiction do not define felony, any crime punishable by more than one (1) year in prison;
- (d) having been barred permanently, or for an indefinite period of time, from registration under the securities laws or similar laws relating to the Investment Decision-Making Process or from association or affiliation with a governmental or judicial agency, or by a public or private self-regulatory organization with jurisdiction over the Investment Decision-Making Process;
- (e) failure to annually complete, sign, and return to AIMR a Professional Conduct Statement;
- (f) falsification of information on CFA Program enrollment applications or Member Society or Member Chapter membership applications; and/or
- (g) any "good cause," which shall include failure by a Covered Person to cooperate with AIMR in its inquiry and investigation of the Covered Person's professional conduct.

## 12.4 Disciplinary Sanctions.

- (a) Disciplinary Sanctions, as more particularly described in the Rules of Procedure, include:
  - (i) private censure;



- (ii) public censure;
  - (iii) suspension of membership;
  - (iv) suspension of the right to use the Chartered Financial Analyst (CFA<sup>®</sup>) professional designation;
  - (v) revocation of membership;
  - (vi) revocation of the right to use the Chartered Financial Analyst (CFA<sup>®</sup>) designation;
  - (vii) summary suspension; and
  - (viii) suspension (summary or otherwise) or prohibition from participation in the CFA Program.
- (b) As more particularly described in the Rules of Procedure, the Designated Officer may impose Disciplinary Sanctions of summary suspension or private censure without the Disciplinary Review Committee's approval.
- (c) If a Formal Proceeding has commenced, disciplinary proceedings may continue and the Disciplinary Review Committee may impose Disciplinary Sanctions notwithstanding the Covered Person's resignation from AIMR, a Member Society or Member Chapter or status as a Postponed Candidate.

**12.5 Publication of Disciplinary Action.** AIMR may publish notice of Disciplinary Sanctions in such manner consistent with the Rules of Procedure.

**12.6 Removal of Candidates and Postponed Candidates from CFA Program.** A Candidate and Postponed Candidate shall be suspended or removed from the CFA Program in accordance with the provisions in the Bylaws and the Rules of Procedure.

**12.7 Professional Conduct Committees.**

- (a) The Board shall establish such Professional Conduct Committees, including a Disciplinary Review Committee and a Standards and Policy Committee, as it deems reasonably necessary.
- (b) Except as otherwise specified, each Professional Conduct Committee shall function in accordance with Article 7 of the Bylaws.

- (c) Composition. The chair and members of each Professional Conduct Committee shall be selected in accordance with Section 7.2 of the Bylaws. Each Professional Conduct Committee shall have a minimum of eight (8) Regular Members In Good Standing.
- (d) Committee Voting. In the event that a tie occurs during any deliberation of a Professional Conduct Committee, the decision of the immediate past chair of the committee, if he or she is still serving on the committee, shall break the tie and shall be the decision of the committee. If the immediate past committee chair is no longer serving on a Professional Conduct Committee and a tie vote occurs, the tie shall be broken by the AIMR Chair.

**12.8 Disciplinary Review Committee.** The Disciplinary Review Committee shall:

- (a) enforce the Code and Standards;
- (b) review and recommend amendments to the Rules of Procedure;
- (c) review and approve all stipulated disciplinary matters;
- (d) upon request of the Designated Officer, review and approve summary suspensions, as defined in the Rules of Procedure;
- (e) undertake such other activities as determined by the Disciplinary Review Committee and approved by the Oversight Committee designated by the Board to oversee the Disciplinary Review Committee to maintain the integrity of AIMR membership and the Chartered Financial Analyst (CFA<sup>®</sup>) designation; and
- (f) engage in such other activities as the AIMR Chair, Board or applicable Oversight Committee may request.

**12.9 Standards and Policy Committee.** The Standards and Policy Committee shall:

- (a) review and revise the Code and Standards;
- (b) promote the Code and Standards;
- (c) review and revise the AIMR Standards of Practice Handbook and similar AIMR publications;
- (d) review and revise the AIMR Standards of Practice examination;
- (e) review and revise the AIMR Professional Conduct Statement;
- (f) assist in professional conduct investigations, hearings or review panels;

- (g) undertake such other activities to promote ethics and professional conduct for Individual Members, Member Societies, Member Chapters and all others involved in the Investment Decision-Making Process; and
- (h) engage in such other activities as the AIMR Chair, Board and applicable Oversight Committee may request.

### **ARTICLE 13 - AMENDMENT OF THE BYLAWS**

- 13.1 Amendments Reserved for Board.** The following articles and sections of the Bylaws may be amended only by the Board: Sections 2.13, 2.14, 2.15, 2.25, 2.30, 2.31, 2.32, 2.35, 3.11, 10.1, 10.2 and Article 12.
- 13.2 Amendments to CFA Reserve Fund.** Article 11 of the Bylaws may only be amended upon the affirmative vote of a majority of Charterholder Members In Good Standing at a meeting at which at least twenty five percent (25%) of the Charterholder Members In Good Standing are present in person or by proxy.
- 13.3 Other Amendments.** Other than amendments reserved to the Board or Charterholder Members In Good Standing under Sections 13.1 and 13.2:
  - (a) any amendment of the Bylaws may be approved by the Board for submission to the Regular Members at any meeting of the members or a proposed amendment of the Bylaws sponsored by at least five percent (5%) of the Regular Members In Good Standing shall be submitted to the Regular Members at the next duly called meeting of members if such amendment is submitted in writing by the sponsors to the Secretary at least forty-five (45) days prior to such meeting; and
  - (b) 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.

April 21, 1999

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May 20, 1999 11:59 AM by Polly A. Johnson

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October 6, 1999

**Via U.S. Express Mail Cert. No. EJ878122009US**

Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231

**Assignment of the Mark "C.F.A." - Reg. No. 935,504**

Dear Madam or Sir:

In connection with the assignment of the above-referenced mark from The Institute of Chartered Financial Analysts, a Virginia nonstock corporation ("ICFA"), to Association for Investment Management and Research, a Virginia nonstock corporation ("AIMR"), I have enclosed the following:

1. An Assignment Recordation Form.
2. An original Certificate of Merger issued by the Virginia State Corporation Commission certifying that the merger of ICFA with and into AIMR was effective June 1, 1999 and that AIMR is the surviving corporation.
3. Copies of the Article of Merger and Plan of Merger.
4. A check in the amount of \$40.00 to cover the fees for recording the assignment.

Please record this assignment and send me recordation receipt. Please call me if you have any questions.

Sincerely,



Thereza K. Morris  
Legal Assistant

**Enclosure**

cc: Roberta Mowery Ward, Esquire  
Joseph P. Lange  
Christopher C. Spencer, Esquire  
John R. Owen, Esquire

