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**THE INVESTMENT  
ANALYSTS SOCIETY  
OF CHICAGO**

**AMENDED: JUNE 29, 2004**

**THE CHICAGO SOCIETY: 1925 TO THE PRESENT**

**BYLAWS INTRODUCTION**

The Investment Analysts Club (as it was originally known) was founded in 1925 by a group of back room “statisticians” primarily interested in the subject of bond analysis and ratings and, to a lesser extent, the general economy. The founders numbering eight or ten luncheon regulars, who met at the Old Great Northern Hotel, included Raymond J. Sidney, the first president of the organization. It is noteworthy that the Chicago group was the first such analysts club or society formed in the United States.

From these modest beginnings, the Club grew slowly during the balance of the 1920’s, contracted in the early depression years as analysts proved expendable, and reached a membership count of 100 by 1936. The formation of the SEC had a major impact on the quantity and quality of corporate information available and the job of the security analysts thereafter took on added significance.

In the postwar period, the analyst profession expanded enormously in numbers and influence. Our membership, for example, has grown from 149 in 1947 to 1,465 in 1995 to nearly 2,800 in 2004. The Chicago Society was one of four original societies to organize the Financial Analysts Federation in 1947. Since that time, many of our members have played an active role in FAF affairs, as well as in the conception and development of the Institute of Chartered Financial Analysts, and continue to do so through the successor organization, the Association for Investment Management and Research (AIMR), which was established in 1989 and changed its name to CFA Institute in 2004.

In 1989, the Society adopted revised Bylaws, which for the first time authorized four classes of membership. The Bylaws were further refined in 1995 to align the membership categories, Charterholder, Regular, Affiliate, and Retired more closely with those of CFA Institute. The Charterholder category continues Chicago’s long history of emphasis on the CFA® designation.

In 2003 and 2004, the Society continued the process of revising its Bylaws, with the primary goals of accurately reflecting current Society operating procedures as well as recent changes to the CFA Institute Bylaws and the Illinois General Not For Profit Corporation Act of 1986. A wide variety of other changes reflect a lengthy process of reviewing the governance of the Society.

The principal purpose of this booklet is to present the Bylaws of the organization in their entirety, incorporating therein the Code of Ethics and Standards of Professional Conduct of CFA Institute.



SECTION 4

Minimum Requirements for Regular Membership. A “Regular Member” shall be defined as a person who is a Regular Member of CFA Institute and has fulfilled such other requirements as the Corporation may impose consistent with the requirements established by CFA Institute. Any change in Regular Member qualifications as established by CFA Institute shall be the qualifications of the Regular Member of the Corporation upon the ratification by the Board of Directors of the Corporation by a three-fourths vote of the Board of Directors.

SECTION 5

Regulations Regarding Regular Membership. Regulations regarding Regular Members are:

- a) Regular Members shall pay such dues and other charges as determined from time to time by the Board of Directors.
- b) Regular Members shall have voting privileges, but shall not be permitted to hold office or Committee/Advisory Group Chair positions unless the exception is approved by a three-fourths vote of the Board of Directors and;
- c) Regular Members shall be Regular Members of CFA Institute, and as such, shall comply with the provisions of the Code of Ethics and Standards of Professional Conduct.

SECTION 6

Minimum Requirements for Affiliate Membership. The term “Affiliate Member” shall be defined as a person who has passed a self-administered ethics examination in a format established and approved by the Board of Directors, adheres to all of the rules and regulations of the Society and has been accepted by CFA Institute as an Affiliate Member.

SECTION 7

Regulations Regarding Affiliate Membership. Regulations regarding Affiliate Members are:

- a) Affiliate Members shall pay such dues and other charges as determined from time to time by the Board of Directors.
- b) Affiliate Members shall not have voting privileges or be permitted to hold office or Committee/Advisory Group Chair positions, unless the exception is approved by a three-fourths vote of the Board of Directors; and
- c) Affiliate Members shall be Affiliate Members of CFA Institute, and as such, shall comply with the provisions of the Code of Ethics and Standards of Professional Conduct.

SECTION 8

Minimum Requirements for Retired Membership. The term “Retired Member” shall be defined as a person who is a Charterholder, Regular or Affiliate Member of the Society and is at least fifty-five years of age, is no longer engaged in active practice on a salary or fee basis and adheres to all the rules and regulations of the Society.

SECTION 9

Regulations Regarding Retired Membership. Regulations regarding Retired Members are:

- a) Retired Members shall not have voting privileges or be permitted to hold office or Committee/Advisory Group Chair positions in the Society; and
- b) Retired Members shall pay such dues, and other charges, based on a percentage of Charterholder, Regular, or Affiliate Member dues, or other charges, as determined from time to time by the Board of Directors.

Retired Members shall be Charterholder, Regular, or Affiliate Members of CFA Institute, and as such, shall comply with the provisions of the Code of Ethics and Standards of Professional Conduct.

SECTION 10

Qualifications for Adjunct Membership: An individual who holds a position in the profession of investment management or in a related field may be admitted to non-voting Adjunct Membership. Any Director at a meeting of the Board of Directors may propose any such individual for membership. The qualifications and regulations for Adjunct Membership shall be determined from time to time by a three-fourths vote of the Board of Directors.

SECTION 11

Qualifications for Honorary Membership: An individual who has made distinguished contributions or who has given dedicated service to the profession of financial analysis or to the Corporation may be admitted to non-voting Honorary Membership. Any Director at a meeting of the Board of Directors may propose any such individual for membership.

**ARTICLE III**  
**BOARD OF DIRECTORS**

SECTION 1

The Board of Directors shall consist of (a) a minimum of eleven and a maximum of fourteen elected members and (b) those Officers elected by the membership of the Society, not elected members of the Board of Directors, during their term of office.

SECTION 2

The properties, business and activities of the Society shall be managed by the Board of Directors.

SECTION 3

The elected Directors shall be classified with respect to the time for which they shall severally hold office by dividing them into five classes to be known as "A", "B", "C", "D", and "E."

Classes "A", "B" and "C" shall each have three Directors serving three-year terms. The term of office of one Class of Directors shall expire in each year.

Class "D" shall consist of one Director to hold office until the next annual election, which position shall be filled by the Immediate Past President.

Class "E" shall consist of a minimum of one and a maximum of four Directors to hold office until the next annual election. The exact number of Class "E" Directors within that range at any given time shall be determined by resolution of the Board of Directors at any duly convened meeting. Class "E" Directors shall be eligible to be re-nominated for one additional one-year term in Class "E". Class "E" directors can be nominated to serve in other classes of Directorship, provided they are approved, if required, by a three-fourths vote of the Board of Directors.

Directors serving in Classes "A", "B", "C" AND "D" must be Charterholder members or Regular or Affiliate members who have been approved by a  $\frac{3}{4}$  vote of the board of directors pursuant to Article II, Sections 5(b) AND 7(b). Class "A", "B" and "C" Directors who are not members at the time of nomination must have an application pending and must join IASC and CFA Institute within sixty days of application approval.

Up to two Class "E" Directors will be eligible to serve on the Board as non-members. The remaining Class "E" Directors must be Charterholder Members or Regular or Affiliate Members who have been approved by a  $\frac{3}{4}$  vote of the Board of Directors pursuant to Article II, Sections 5(b) and 7(b). The Class "E" Directors who are not members at the time of nomination and who are required to become members must submit an application for membership within thirty days of nomination and must join IASC and CFA Institute within sixty days of application approval.

SECTION 4

Vacancies on the Board of Directors may be filled by vote of the remaining members of the Board of Directors. The term of each Director selected to fill a vacancy shall expire on the date of the next succeeding annual election, at which time the members shall elect a Director to fill the remainder, if any, of the term.

SECTION 5

A majority of the Board of Directors shall constitute a quorum at its meetings, and the act of a majority of the Directors present at any meeting at which time a quorum is present shall be the act of the Board of Directors. Any provision in these Bylaws requiring a vote of the Directors exceeding a majority, unless otherwise explicitly noted, shall be deemed to refer to the Directors present at any meeting at which time a quorum is present.

SECTION 6

Meetings of the Board of Directors shall be held at such intervals as determined by the President on seven days' notice of the time and place and purpose thereof, served either personally or by mail, courier, fax, or electronic mail. Meetings shall also be called by the President or Vice President of Operations/Secretary-Treasurer upon the written request of not less than four Directors.

SECTION 7

An Executive Committee shall consist of the Class "D" Director (the Immediate Past President), the President, the Executive Vice President, The Vice President of Operations/Secretary-Treasurer, The Vice President of Member Development, The Vice President of Programs, The Vice President of Special Events, and the Chief Executive Officer. The Executive Committee may meet and act on behalf of the Board of Directors without

formal notice. Actions of the Executive Committee are expressly limited to those granted by the Board of Directors and all such actions must be ratified by a majority of the Board at their next meeting.

SECTION 8 The Directors shall not receive any compensation for their services.

**ARTICLE IV**  
**OFFICERS**

SECTION 1 The Officers shall consist of a President, an Executive Vice President, A Vice President of Operations/Secretary-Treasurer, a, A Vice President of Member Development, A Vice President of Programs, A Vice President of Special Events and A Chief Executive Officer. The Board of Directors may appoint such other Officers as it shall deem necessary who shall have such authority and perform such duties as, from time to time, may be determined by the Board of Directors.

SECTION 2 President. The President shall preside at all meetings of the members of the Society, the Board of Directors, and the Executive Committee. The President shall be a member ex-officio of all regular and special Committees and Advisory Groups, and shall execute all instruments requiring a seal in the name of the Society under the seal of the Society. The President shall perform all such other duties as pertain to the office of President and shall see that all resolutions of the members and the Board of Directors shall be carried into effect.

SECTION 3 Executive Vice President. The Executive Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Directors or the members shall prescribe by resolution. The Executive Vice President shall be a member ex-officio of all regular and special Committees and Advisory Groups.

SECTION 4 Vice President – Operations/Secretary-Treasurer. The Vice President-Operations/Secretary-Treasurer shall be responsible for overseeing the Advisory Groups which conduct services that support the operation of the organization.

Vice President – Operations/Secretary-Treasurer shall keep a correct list of the names and addresses of the members of the Society. The Vice President – Operations/Secretary-Treasurer shall attend all meetings of the members and of the Board of Directors, and shall keep a correct record of all the transactions at such meetings in a Minutes book belonging to the Society. The Vice President – Operations/Secretary-Treasurer shall be the custodian of the Corporate records, and shall be custodian of the Corporate seal. Upon the direction of the President, the Vice President – Operations/Secretary-Treasurer shall send out notices of meetings of the members and of the Board of Directors. The Vice President – Operations/Secretary-Treasurer shall affix the Corporate seal to all instruments requiring a seal.

If required by the Board of Directors, the Vice President – Operations/Secretary-Treasurer shall give bond in such amount and with such surety or sureties as may be designated by the Board of Directors, the cost of such bond to be paid by the Society.

The Vice President – Operations/Secretary-Treasurer shall receive, disburse, and collect all monies due and belonging to the Society and shall, under the supervision of the Board of Directors, deposit the monies of the Society in its name and to its credit in such depository or depositories as may be directed by the Board of Directors. The Vice President – Operations/Secretary-Treasurer shall pay all bills and make all disbursements authorized by the Board of Directors, taking proper vouchers for such disbursements. The Vice President – Operations/Secretary-Treasurer shall keep full and accurate accounts of receipts and disbursements and shall keep a record of all financial transactions of the Society. The Vice President – Operations/Secretary-Treasurer shall render a full and complete report of the financial condition of the Society to the Directors at a meeting of the Board of Directors following completion of the annual audit.

The Vice President – Operations/Secretary-Treasurer has oversight responsibility for all of the above mentioned duties and may delegate the performance of selected functions to others from time to time as necessary and appropriate. The Vice President – Operations/Secretary-Treasurer shall perform all other duties required by resolution of the members of the Society and the Board of Directors and shall perform all duties pertaining to the office of Vice President – Operations/Secretary-Treasurer.

SECTION 5                    Vice President – Programs. The Vice President –Programs shall be responsible for overseeing the Advisory Groups that schedule and deliver academic programs and events on behalf of the society.

SECTION 6                    Vice President – Member Development. The Vice President – Member Development shall be responsible for overseeing the Advisory Groups that recruit members and provide new opportunities for existing members. The Vice President – Member Development shall review new member applications and make recommendations to the board regarding approval.

SECTION 7                    Vice President – Special Events. The Vice President – Special Events shall be responsible for overseeing the Advisory Groups that schedule and deliver social, networking and other special events.

SECTION 8                    Chief Executive Officer. The Chief Executive Officer shall be responsible for the day-to-day operations of the Society. The Chief Executive Officer is appointed by the Board of Directors and has voting authority on the Executive Committee. The Executive Director serves in an ex-officio, non-voting capacity on the Board of Directors. All powers and duties of the Chief Executive Officer shall be prescribed by resolution of the Board of Directors.

- SECTION 9 All Officers, with the exception of the Chief Executive Officer, shall hold office until the next annual election.
- SECTION 10 Vacancies in any office shall be filled by vote of the Board of Directors for the remainder of the unexpired term.
- SECTION 11 The Officers shall not receive any compensation for these services, with the exception of the Chief Executive Officer.

**ARTICLE V**  
**DUES**

SECTION 1 Membership Dues. The annual dues for each member shall be established by a vote of two-thirds of the Board of Directors and shall be payable on or before the 15<sup>th</sup> day of September of each year, until changed by the Board of Directors. The Board of Directors may establish reduced dues rates for any class of members in order to make provision for members who take voluntary or involuntary professional leaves of absence. A member whose membership dues have not been received by September 15, after receiving a letter of intent to terminate membership for nonpayment of dues, will be terminated from the Society.

SECTION 2 Assessments. The Society may raise revenues (other than by dues) to pay all legitimate expenses including such unusual or extraordinary expenses as may be authorized and incurred from time to time by a vote of two-thirds of the Board of Directors in furtherance of the business and objects of the Society. The monies so authorized shall be raised by just and equitable assessments, which shall be levied from time to time against the members by the Board of Directors.

Within ten days after the Board of Directors has levied any assessments, notice thereof shall be given to each and every member of the Society stating the amount of such assessment and the date or dates on which the same was ordered by the Board of Directors to be paid. Each and every member shall pay to the Vice President of Operations/Secretary-Treasurer of the Society on the date or dates so fixed the amount of the assessment and any installment or installments thereof against said member due on said date or dates in accordance with the terms of said levy and notice.

Sixty days default in the payment of any assessment or installment of any assessment of which notice shall have been given to any members as herein provided, shall entitle the Board of Directors, following written notice to the member or members so in default, to discontinue the membership until the default in payment of such assessment or installments is cured. Each member shall be liable for and agree as a condition of his or her membership to pay his or her proportionate share of the expenses of carrying out the objects and purposes of the Society, but no newly elected member shall be required to pay an assessment or portion thereof levied prior to the date such member was admitted to membership in this Society.



**ARTICLE VIII**  
**NOMINATIONS AND**  
**ELECTIONS**

SECTION 1

It shall be the duty of the Board of Directors, at least one month prior to the Annual Meeting, to appoint a Committee on Nominations composed of five members, at least two of whom shall not be members of the Board of Directors. Subject to the approval of the Board of Directors, the Committee on Nominations shall include the Immediate Past President as one of its members, who shall serve as its Chair. Otherwise, the Committee on Nominations shall elect its own Chair. Such Committee shall have prepared, at least two weeks before the Annual Meeting, their nominations for The Executive Committee and vacancies on the Board of Directors.

SECTION 2

Twenty-five members may make nominations via a signed petition for any of the offices described in Section 1, above and shall announce the same to the Vice President – Operations/Secretary-Treasurer, not less than one week prior to the Annual Meeting. It shall be the duty of the Vice President – Operations/Secretary-Treasurer to provide written notice via mail, courier, fax, or electronic mail to each member regarding such nominations as may be made either by the Nominating Committee or by petition, as provided for in this Section 2.

SECTION 3

At the Annual Meeting, a vote shall be taken for each office separately, and the candidate receiving the highest number of votes for each respective office shall be declared elected. In the case of offices where only one candidate is nominated, a combined vote for all of these offices may be taken. Cumulative voting is not permitted.

**ARTICLE IX**  
**RULES OF ORDER**

The Rules of Order as contained in *Robert's Rules of Parliamentary Procedure* shall govern the conduct of business meetings of the Society and the Board of Directors.

**ARTICLE X**  
**INDEMNIFICATION**  
**AND INSURANCE**

The Society shall indemnify any person or entity to the extent required by law, and may otherwise indemnify any person or entity to the extent permitted by law. The provisions of the Illinois General Not For Profit Corporation Act of 1986 related to indemnification (Section 108.75), as such provisions may be amended from time to time, are incorporated by reference into these By-laws.

The Society may purchase and maintain insurance on behalf of any person or entity to the extent permitted by law, whether or not the Society would have the authority to indemnify such person or entity against such liability under the provisions of this Article.

**ARTICLE XI**  
**AMENDMENTS**

SECTION 1 Amendments to these Bylaws may be proposed by the Board of Directors or by ten percent of the members through written application to the Vice President – Operations/Secretary-Treasurer. Each proposed amendment shall be published and distributed to all members via mail, courier, fax, or electronic mail along with notice of the date of the meeting at which the amendment is to be considered.

SECTION 2 A two-thirds vote of the members present in person or by proxy at the submission of the amendment to vote shall be necessary to pass each amendment.

**ARTICLE XII**  
**CODE OF ETHICS AND**  
**STANDARDS OF**  
**PROFESSIONAL CONDUCT**

SECTION 1 Adoption and Amendment. The Society hereby adopts the Code of Ethics and Standards of Professional Conduct of CFA Institute as amended from time to time. Charterholder, Regular, Affiliate, Adjunct, Honorary and Retired Members shall comply with the provisions therein stated. The complete, current Code of Ethics and Standards of Professional Conduct of CFA Institute are attached in Exhibit A.

SECTION 2 Enforcement. The Society hereby delegates to CFA Institute all authority and responsibility for enforcement of the Code and Standards with respect to Chartered, Regular, Affiliate and Retired Members.

The Society shall report to CFA Institute any possible violation by members of the Code or Standards, which may come to its attention. The membership in the Society of a person whose individual membership in CFA Institute has been revoked or suspended by it shall be automatically revoked or suspended as applicable. Any person whose membership in the Society has been revoked or suspended shall automatically cease to hold any position in the Society.

SECTION 3 Annual Statement. Each Charterholder, Regular, Affiliate, and Retired Member of the Society shall submit to CFA Institute an annual signed statement relating to the professional conduct of such member, and shall furnish such additional information relating to professional conduct as may be requested by CFA Institute. Such annual statement shall be on a form provided by CFA Institute and shall be filed by a date designated by it. The Society, if requested by CFA Institute, shall collect such statements from all of its Charterholder, Regular, Affiliate and Retired Members and shall forward such statements to CFA Institute by the designated date.