

BY-LAWS  
OF THE  
NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS  
(As Amended and Restated Through January 20, 2010)

**ARTICLE I**  
**Name and Location**

**Section 1. Name.** The name of this organization shall be the **National Association of Securities Professionals**, a non-profit corporation under the laws of the State of Delaware (the "Association").

**Section 2. Offices.** The principal offices of the Association shall be located in Washington, D. C. The Association may also have offices and places of business as the Board of Directors may from time to time authorize.

**ARTICLE II**  
**Objectives**

The objectives and purposes of the Association shall be to:

1. Achieve the highest possible standards of professionalism and excellence among its members;
2. Enhance communications among its members;
3. Foster growth and development of minority-owned institutions in the securities industry;
4. Foster growth and development of minorities in the securities industry
5. Increase the awareness of minorities about opportunities in the securities industry;
6. Increase the awareness of minorities about finance, investing and money-management in the public and private sectors.

**ARTICLE II**  
**Membership**

**Section 1. Membership.** Any individual who regularly engages in a responsible job function in the origination, underwriting, marketing or distribution or who is otherwise engaged in the taxable and tax-exempt securities industries including but not limited to, asset and wealth managers, brokers, public finance professionals, investment bankers, bond counsel, commercial

bankers underwriters, institutional investors, plan sponsors, insurers, raters, brokers, dealers, traders, lawyers, financial advisors, regulators and other related professions may become a member of the Association as herein provided upon payment of the proper dues and upon submission of the proper evidence that such individual or organization has been so engaged.

Subject to the provisions of Article IV, any eligible individual member of the Association shall be entitled to one (1) vote at any duly convened meeting of the membership of the Association and shall also be entitled to such other benefits which shall accrue to all members of the Association.

The Association shall not discriminate in the selection of members on the basis of race, religion, national origin or sex.

**Section 2. Voting.** Any eligible individual member may vote in person or by written proxy to another individual member of the Association if such proxy is recorded with the Secretary of the Association during the meeting at which such proxy is to be valid. A proxy may only be valid for one meeting of members of the Association.

**Section 3. Associate Membership.** Any person not entitled to a voting membership in the Association as provided in Section 2 of this Article and whose business interests are closely related to the interest of the Association shall be eligible for election to associate membership in the Association.

The Board of Directors shall establish an annual fee for associate membership members shall not be entitled to vote at any meeting of members of the Association.

The Association shall not discriminate in the selection of associate members on the basis of race, religion, national origin or sex.

**Section 4. Advertising.** No member shall publicly reference, allude to, or use, membership in the Association in any form of advertisement or commercial endorsement without the express written permission of the Board of Directors.

**Section 5. Termination of Membership.** Any member may terminate its membership in the Association by notice in writing to the Secretary of the Association of its intention to terminate its membership.

Any member of the Association may be suspended or removed at a meeting called by a vote of three-fourths (3/4) of all the Directors at any Board of Directors meeting or a majority vote of members of the Association called for such purpose. Any suspension or removal shall become effective immediately following such vote.

A member may be suspended or removed for nonpayment of dues as provided in Article IV, Section 4 of these By-Laws.

## **ARTICLE IV**

### **Dues and Assessments**

**Section 1. Amount and Time of Payment.** Each member shall pay dues in such amounts, in such manner and at such times as from time to time may be determined by the Board of Directors, in accordance with these By-Laws. In fixing the amounts of dues payable by any member the Board shall endeavor to achieve equity of dues. Each member shall receive written notice of its requisite amount of annual dues.

**Section 2. Special Assessments.** Members of the Association shall pay such special assessments as the Board of Directors from time to time may levy in order to defray extraordinary or unusual costs or expenses incurred by or on behalf of the Association, provided special assessments shall not be imposed to raise funds for any purpose described in Article IX of these By-Laws without the unanimous consent of all of the members of the Association authorized to vote thereon in accordance with these By-Laws.

**Section 3. Assessment for Special Projects.** The Board of Directors may levy an assessment against a specified member of the Association, or levy pro rata assessments against several specified members provided however, that no member shall become obligated to pay such an assessment without such member's consent. Payment by a member, in whole or in part, of any such special assessment shall constitute such member's consent to such assessment.

**Section 4. Non-Payment of Dues or Assessment.** The failure of any member to pay dues or assessments within sixty (60) days after notice thereof is given shall result in such member's automatic suspension from the Association until payment is made or until the Board of Directors in its discretion reinstates such member.

The failure of any member to pay dues or assessments within six (6) months after notice thereof is given shall result in the automatic removal of such member from the membership roll of the Association.

**Section 5. Non-refund.** No dues shall be refunded to any member whose membership terminates or expires for any reason.

## **ARTICLE V**

### **Meetings of Members**

**Section 1. Annual Meeting.** A meeting of the members of the Association for the election of members and officers of the Board of Directors and for the transaction of such other business as may properly come before the meeting shall be held annually at such time and place as may be determined by the Board of Directors.

**Section 2. Special Meetings.** Special meetings may be called at any time by the Chair of the Board of Directors. Special meetings shall be called by the Secretary when so requested by the

written request of ten (10) or more members of the Association or three (3) or more members of the Board of Directors. Special meetings of members of the Association shall be held at such time and place as may from time to time be fixed by the person or persons calling the meeting.

**Section 3. Notice of Meeting.** Notice of the annual meeting of members shall be given to each member at least sixty (60) days prior to the date of such meeting notice of any special meeting shall be given to each member at least twenty (20) days prior to the date of such meeting, in each instance by mailing the notice addressed to the member at the member's address as shown in the records of the Association. The purpose of any special meeting shall be set forth in the notice therefore and shall also indicate that it is being issued by or at the direction of the person or persons calling the meeting. No notice need be given of any adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken.

**Section 4. Adjournments.** Any annual or special meeting of members, irrespective of whether there be a quorum thereat, may, by vote of the majority of members present, be adjourned to a subsequent date.

**Section 5. Quorum.** A meeting of the members of the Association shall not be organized for business unless a quorum is present. The presence in person or by proxy of not less than twenty-five percent (25%) of the entire registered membership shall constitute a quorum.

If a quorum is found to exist at a meeting, it shall be deemed to exist until adjournment notwithstanding the withdrawal during the meeting of enough members to leave less than a quorum, provided that, subject to any provision of law, the Certificate of Incorporation, or these By-Laws requiring a greater number of votes, no action shall be taken except by the affirmative vote of a majority of the members voting, through a representative or by a proxy, a quorum being present.

**Section 6. Conduct of Meeting.** The Chair of the Board of Directors shall preside at meetings of the members. In the absence of the Chair, the Chair-Elect shall preside. In the absence of the Chair and the Chair-Elect, the Secretary shall preside. In the absence of the Chair, Chair-Elect and Secretary, a Chairperson shall be elected by the members present who shall preside at such meeting. The Secretary of the Association or in his or her absence an individual designated by the chairman of the meeting shall act as secretary of the meeting.

## **ARTICLE VI**

### **Board of Directors**

**Section 1. Powers.** The management of the property, affairs, business and activities of the Association shall be vested in the Board of Directors, which shall have all powers necessary and proper for the conduct of its business and the advancement of the purposes of the Association.

**Section 2. Qualifications of Directors.** All members of the Board of Directors must be eligible voting members of the Association.

**Section 3. Number and Composition.** The Board of Directors shall be composed of not more than twenty-nine (29) members.

The composition of the Board of Directors should be reflective of a representative balance of the membership of the Association, including function in the securities industry, geographical distribution, institutional type and size. One seat on the Board of Directors shall be allocated to and filled by the President of each duly organized Local Chapter as its official representative on the Board of Directors.

Fifty percent (50%) of the membership of the Board at all times shall be comprised of members of the Association representative of minority-owned firms and fifty percent (50%) of the membership of the Board at all times shall be comprised of members of the Association representative of majority-owned firms. This provision is a goal and not a requirement.

**Section 4. Term of Office.** Directors elected shall serve three (3) year terms provided, however, that the Directors first elected on the first year of the Association shall serve a term of one (1) year after the Directors first elected on the first year of the Association to serve a term of one (1) year the next Directors shall be elected such that one-third (1/3) shall serve for a term of one (1) year, one-third (1/3) shall serve for a term of two (2) years and one-third (1/3) shall serve for a term of three (3) years. The term of each elected Director shall commence the following January. A Director shall serve until the expiration of his or her term and until his or her successor shall have been elected and qualified for office or until he or she shall resign, shall have been removed or cease to hold office because of death. The President of the Association shall be a non-voting member of the Board of Directors.

**Section 5. Election.** Directors shall be elected at the Association's annual meeting by majority vote of the voting members.

Regular Meetings. The Board of Directors shall by resolution establish a schedule of regular meeting to be held at least quarterly each year.

Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chair, or by the Secretary at the written request of three (3) or more members of the Board of Directors.

Notice of Meetings and Waiver. Written notice of each meeting of the Board of Directors shall be given by the Secretary to all members of the Board and all members of the Association who have given notice to the Secretary of their tests to receive such notice, at least ten (10) days in advance of the meeting, provided that at least forty-eight (48) hours prior notice to the Directors by telephone or telegram shall be sufficient notice in the case of any special meeting. Notice is not required to be given to the membership of the Association for special meetings. Each such notice shall specify the place, day and hour of the meeting and the general nature of the business to be transacted.

Quorum and Adjournment. The presence of not less than thirty-three and one-third of the Directors then in office at any meeting of the Board shall constitute a quorum for the transaction of business and, except as provided by the laws of the State of Delaware, the Certificate of Incorporation of the Association or these By-Laws, any such business transacted shall be valid provided it is affirmatively passed upon by a majority of those present. In the absence of a quorum, any meeting may be adjourned from time to time by the vote of a majority of the Directors present thereat but no other business may be transacted. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed.

Voting. Each Director shall have one vote at all meetings of the Board at which such Director is present. Voting rights of Directors may not be exercised by proxy.

Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors or any committee thereof may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors, or all of the members of such committee of the Board, as the case may be, and such written consent or certificate of the Secretary that such written consent has been obtained and is on file in the records of the Association, is filed with the minutes of the proceedings of the Board or of such committee.

Conduct of Meeting. The Chair of the Board shall preside at meetings of the Board. In the absence of the Chair, the Chair-Elect shall preside. In the absence of the Chair and the Chair-Elect, the Secretary shall preside. The Secretary of the Association or in his absence a person designated by the Chair shall act as secretary of the meeting.

Presumption of Assent. A Director who is present at a meeting of the Board of Directors at which action on any matter is taken shall be conclusively presumed to have assented to the action taken unless his or her dissent or abstention shall be entered in the minutes of the meeting.

Mode of Meetings. Members of the Board of Directors, the Executive Committee or any other committee established by these By-Laws or designated by the Board may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such a meeting provided, however, that each member of the Board of Directors, the Executive Committee or any other committee established by these By-Laws or designated by the Board shall receive at least twelve (12) hours notice that such meeting will be held by means of conference telephone or similar communications equipment.

**Section 6. Vacancies.** Any vacancy on the Board of Directors arising any time for any cause may be filled by the Chair of the Board, with the approval of a majority of the Board, provided that such appointment complies with the requirements of Article VI, Section 2.

**Section 7. Executive Committee.** There shall be an Executive Committee of the Board of Directors. The Executive Committee shall be composed of the Chair, Chair-Elect, Secretary, Treasurer, Immediate Past Chair and two members of the Board of Directors appointed by the Chair. General Counsel is an ex-official member. Such Executive Committee shall have full power to act for the Board during the periods between Board meetings regarding matters which require prompt decision and are of such nature that it is not practicable or necessary to toll or call a meeting of the Board of Directors, except the Executive Committee shall not have the power to amend these By-Laws or to act to fill vacancies on the Board. Such Executive Committee may also act with respect to matters specifically delegated to it by the Board. If appointed by the Board of Directors, the President shall serve as a non-voting member of the Executive Committee.

**Section 8. Removal.** Any member of the Board of Directors may be removed by a majority vote of the Board members then in office if, after according such member due process such majority concludes that the member to be removed has acted in bad faith toward the Association; or automatically shall be deemed to have been removed if the member has failed to attend a minimum of two (2) regularly scheduled Board meetings during any fiscal year; and, that the member has failed to pay or otherwise be responsible for Board dues and/or assessments during any fiscal year unless such removal is waived by a majority vote of the Board.

## **ARTICLE VII Officers**

**Section 1. Number.** The officers of the Association shall be a Chair, a Chair-Elect, a Treasurer and a Secretary of the Board of Directors of the Association and the Executive Director of the Association. The Board of Directors may also establish additional offices which it deems appropriate.

**Section 2. Elected Officers.** The membership should biannually at its annual meeting elect a Chair, a Chair-Elect, a Treasurer and a Secretary from among their number by majority vote of the eligible voting members. The Chair and Chair-Elect shall be at all times a representative of a minority-owned firm or a representative of a majority-owned firm. When the Chair is a representative of a majority-owned firm the Chair-Elect shall be a representative of a minority-owned firm. When the Chair is a representative of a minority-owned firm the Chair-Elect shall be a representative of a majority-owned firm. Officers of the Association shall serve in such capacity without compensation from the Association. The Board of Directors may reimburse any elected officer of the Association for reasonable out-of-pocket expenses incurred by such elected officer on behalf of the Association, from available funds of the Association.

The Chair of the Board of Directors shall preside at all meetings of the members of the Association and at all meetings of the Board of Directors. The Chair shall appoint such committees as may from time to time be provided for by these By-Laws or by resolution of the Board or as he may deem necessary or desirable for the conduct of the business of the Association. If the Chair should for any reason be unable to act or if the office of the Chair

should at any time for any reasons become vacant, the duties of the Chair shall be carried on by the Chair-Elect of the Board of Directors.

The Chair-Elect shall serve as Chair of the Association in the next succeeding term.

The Treasurer shall have charge and custody of and have responsibility for all funds and securities of the Association and shall present an annual report of the finances of the Association and such interim reports as the Board of Directors may require.

The Secretary or, in the absence of the Secretary due to vacancy in office, the Executive Director, shall be in charge of the minute books of the meetings of the members of the Association and of the Board of Directors and shall perform all duties incident to the office of Secretary under these By-Laws, including the sending of required notices of meetings.

**Section 3. Election and Term of Office of Elected Officers.** The Chair, Chair-Elect, Secretary and Treasurer of the Board of Directors shall be elected in accordance with Article VI, Section 5 of these By-Laws. The term of office for each elected officer shall be two years commencing on the first day of the month next following the annual meeting at which he or she is elected provided, however, that the officer elected in the first year of the Association shall serve a term of one year. An elected Officer shall hold office until the expiration of his or her term and until his or her successor shall have been duly elected and qualified for office or until he or she shall resign, shall have been removed or cease to hold office because of death, provided however, that elected officers may be re-elected.

**Section 4. Appointed Officers.** In furtherance of the interests and purposes of the Association the Board of Directors may appoint or authorize the appointment of an Executive Director and such other administrative officers and employees of the Association with such titles, duties, powers and authority as the Board shall deem desirable. Such officers and employees shall hold office at the pleasure of the Board or for such terms as the Board shall designate and receive such salary as shall from time to time be determined by the Board.

The Executive Director shall be the chief operating officer of the Association and, under the election of the Chair of the Board and the Board of Directors, shall have the duties and powers incident to the general operation and management of the day-to-day business and affairs of the Association, including full supervision of the staff officers and employees in the performance of their duties.

The Secretary or, in the absence of the election of a Secretary, the Executive Director shall be in charge of the minute books of the meetings of members of the Association and of the Board of Directors and shall perform all duties incident to the office of Secretary under these By-Laws, including the sending of required notices of meetings.

**Section 5. Resignation.** Any officer of the Association may resign at any time by giving written notice of his or her resignation to the Chair or the Secretary of the Board. Any such resignation shall take effect at the time received unless another time is specified in such notice.

**Section 6. Removal.** Any officer appointed by the Board of Directors may be removed by a majority vote of the Board members then in office whenever in their judgment the best interests of the Association will be served thereby. An officer elected by the members may be removed by a three-fourths (3/4ths) vote of the entire membership whenever in the members' judgment the best interests of the Association will be served thereby.

Any member of the Board may be removed upon the conditions contained in the statutes of the State of Delaware.

**Section 7. Compensation.** The compensation of appointed officers shall be fixed from time to time by the Board of Directors. The Board of Directors may reimburse the Executive Director of the Association for reasonable out-of-pocket expenses incurred by the Executive Director of the Association on behalf of the Association, from available funds of the Association.

**Section 8. Vacancies.** In case of death, resignation or removal of any elected officer, a simple majority of the Board may appoint an individual to serve out the remaining term of such officer.

## **ARTICLE VIII Board Policies**

**Section 1. Auditors.** The Board of Directors shall each year designate a firm of Certified Public Accountants to act as auditors for the Association for its next fiscal year.

**Section 2. Limitation.** No committee of the Association or chairman thereof shall have any power to incur or contract any liability in excess of specific authorization or appropriations made by the Board of Directors.

**Section 3. Investments.** The Board of Directors may authorize the investment of funds of the Association in a prudent manner in such investments or securities insured or guaranteed by the United States Government as it may deem proper, with full power to sell or exchange such investments or securities, and it may delegate this power as in its discretion it sees fit.

**Section 4. Bond.** The Executive Director, the Treasurer and any other officers which the Board of Directors may specify may be required to give bond to the Association before entering upon their respective offices in such sums as the Board of Directors may require. The cost of such bond shall be paid by the Association.

**Section 5. Powers of Execution.** (a) All authorized contracts, leases and other instruments shall be signed in the name of the Association by the Chair of the Board of Directors, the Executive Director or by any other officer of the Association authorized to sign such instrument by resolution of the Board of Directors, and such instruments requiring the seal of the Association shall be attested by the Secretary. (b) All checks for payment of funds of the Association shall be signed by such officer or officers or such other person or persons of the Association as the Board of Directors may designate from time to time so long as one of such

persons is the Treasurer of the Association. All checks for payment of funds of the Association in excess of \$5,000 shall be signed by at least two officers of the Association as the Board may designate from time to time.

**Section 6. Fiscal Year.** The fiscal year of the Association shall be the calendar year of each year beginning on January 1 and ending on December 31 of such year.

**Section 7. Seal.** The Board of Directors shall cause to be provided a suitable seal containing the name of the Association and the year of organization, which seal shall be in the charge and custody of the Secretary.

## **ARTICLE IX Indemnity**

**Section 1.** Only to the extent of insurance coverage acquired pursuant to Article X, Section 7, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reasons of the fact that he or she is or was a director, officer, employee or agent of the Association, or is or was acting in such capacity, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or, other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person or persons involved did not act in good faith and in the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

**Section 2.** The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the Association, or is or was acting in such capacity or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably believed to be in or not opposed to the best interest of the Association except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the

case, such person is fairly and reasonably entitled to indemnity for such expenses hereunder which the court shall deem proper.

**Section 3.** To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or 2 of this Article IX or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

**Section 4.** Any indemnification under Sections 1 and 2 of this Article IX- (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article IX. Such determinations shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

**Section 5. Resignation.** Any officer of the Association may resign at any time by giving written notice of his resignation to the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized under Sections 1 and 2 of this Article IX, subject to the limitation contained in Section 7 of this Article IX.

**Section 6.** The indemnification provided under Sections 1 and 2 of this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such offices, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

**Section 7.** The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of this section. If the Association purchases insurance pursuant to the provisions of this Section 7 on behalf of any person entitled to indemnification under this Article IX, any indemnification provided under this Article IX shall be paid exclusively from the proceeds of such insurance and not from the assets of the Association (with exception to the assets of the Association with which insurance is purchased)

and no claim for indemnification against the Association for or by such person shall be valid or be paid for any amount not covered by such insurance.

## **ARTICLE X No Personal Liability**

No Director, officer, employee, member or agent of the Association shall be personally liable on account of any event, action or undertaking authorized directly or indirectly by the membership, the Board of Directors, a Director, officer or employee of the Association with respect to the Association's affairs.

## **ARTICLE XI Parliamentary Procedure**

Robert's Rule of Order, Revised, shall govern the deliberations of meetings of the Association and the Board of Directors, except as determined by the By-Laws or by rules of the Association.

## **ARTICLE XII AMENDMENTS**

The Board of Directors shall have power to amend, repeal or adopt By-Laws at any regular or special meeting of the Board provided, however, that any By-Law amended, repealed or adopted by the Board shall not take effect, unless within five (5) business days after the regular or special meeting at which such By-Law was amended, repealed or adopted, the Secretary of the Association mails to each voting member of the Association specific notice of the specific By-Law amended, repealed or adopted by the Board, which notice shall state that if, within thirty (30) days of the date of such notice, twenty-five percent (25 %) of the voting members of the Association give written notice of the right to membership referendum with respect to such amended, repealed or adopted By-Law by this Article III provided within sixty (60) days of receipt of such notice from the Secretary, the amended, repealed or adopted By-Law shall not take effect.

## **ARTICLE XIII Local Chapters**

**Section 1.** The Board of Directors may establish local chapters of the National Association of Securities Professionals (NASP). All local chapters must be chartered by the Board of Directors. Local Chapters must subscribe to and operate in accordance with the goals, objectives, policies and procedures of the NASP. The Board of Directors shall develop policies and procedures for the establishment of local chapters.

**Section 2. Sanctions Against Local Chapters.** Any violation by a local chapter of these By-laws may subject such local chapter to expulsion from the NASP in the discretion of the Board of Directors. Such expulsion shall terminate all duties and obligations owed by the NASP to

such chapter. Thereafter, any such local chapter may not hold itself out as being chartered by the NASP. The procedure for expelling a local chapter from the NASP shall be: (1.) The Executive Director must have evidence that such local chapter has violated the By-laws; (2) the local chapter shall be notified of such violation; (3.) The local chapter shall have a chance to present evidence to the Executive Director within thirty (30) days of receiving notification, that such violation did not occur or that corrective measures have been taken; and (4) if the violation has not been satisfactorily corrected, the Board of Directors at their next Board meeting, by a majority vote, shall vote to expel such local chapter.

**Section 3. Guidelines for Local Chapters.** In order to maintain its affiliation with the NASP, each local chapter must, at all times, observe the requirements as spelled out in the *National Association of Securities Professionals and Procedures for NASP Chapter Formation.*

**Section 4. Additional Guidelines.** From time to time, additional guidelines for local chapters may be adopted by the Board of Directors. Adherence by the local chapters to such additional guidelines shall also be required in order for each local chapter to maintain its affiliation with the NASP.

## **ARTICLE XV Committees of the Board of Directors**

**Section 1. Committees of the Board of Directors.** The Chair of the Board of Directors, by resolution adopted by a majority of the Executive Committee or Board of Directors, may designate and appoint any committees and may delegate to such committees such powers as consistent with its mission statement and jurisdiction as defined in the NASP By-Laws. Each committee shall have at least two (2) Directors as its members and shall be comprised of Directors and members of the Association. One member of each such committee shall be appointed Committee Chairperson by the Chair of the Board of Directors and one member may be appointed Committee Co-Chairperson by the Chair of the Board of Directors. The Committee Chairperson and the Co-Chairperson shall be members of the Board of Directors. The Chapter Development Committee, The Finance Committee, The Governance Committee, and The Programs Committee. The Chairperson or Co-Chairperson of each Standing Committee shall be responsible for reporting to the Executive Committee as to the activities of their respective Standing Committee. The members and Chairpersons of each Standing Committee shall serve for a term of two years and may be reappointed for an additional two-year term.

**Section 2. Standing Committees Mission Statements.** The following are the Mission Statements for the Standing Committees of NASP:

### Chapter Development Committee –

The mission of the Chapter Development Committee is to develop initiatives that will increase NASP membership

NASP active support chapters locate new funding sources and provide a strategic plan for the future activities of the NASP. This includes the development of linkages with organizations that can be beneficial to the mission and purpose of NASP, along with targeting new member's sources and funding opportunities.

#### Executive Committee -

The Executive Committee is composed of the Chair, Chair Elect, Secretary, Treasurer, Immediate Past Chair and two board members that are appointed by the chair. This committee will have the power to act for the board on issues that require immediate attention between board meetings. This committee can not amend the by-laws or fill vacancies on the board. The committee can act on issues delegated to it by the board with consent of the board. General Counsel serves as an ex-official.

#### Finance Committee –

The mission of the Finance Committee is to provide custodial and oversight of the budgetary matters of NASP. This committee recommends to the Chairman the general guidelines that the organization must follow for the operating and cash budgets of NASP. The committee disseminates these guidelines with board approval. The committee is also responsible for the oversight of budgetary matters for the NASP chapters and when necessary will provide recommendations to the board. This committee is also responsible for the preparation and submission of annual operating NASP budgets.

### Governance Committee –

The mission of the Governance Committee is to recruit and maintain qualified board members to ensure an active, working board. This includes developing orientation for new members, members assessment and providing information that will make the board more effective. The committee is responsible developing a profile to be used to recruit future board members and planning for submission.

### Programs Committee –

The mission of the Programs Committee is to provide oversight on the development of NASP's four major programmatic areas – Wealth Management, Public Finance, Trustee Education and Institutional Investment. This includes developing and implementing new programs which further the mission and purpose of NASP and which are responsive to the membership. This information can come from chapter meetings and surveys.

