

MEMBER SOCIETY BYLAWS (01-2006)

ARTICLE 1 – FORMATION

- 1.1 Name.** Formed in Liechtenstein as a non-profit Society (“Verein mit nichtwirtschaftlichem Zweck”) according to the Art. 246 ff, of the *Liechtenstein Persons and Companies Act (PGR)*, the name of the Society shall be the “Liechtenstein Society of Investment Professionals (LSIP)” (herein referred to as the “Society”).
- 1.2 Location.** The principal office of the Society shall be located at the President’s domicile. The Society is registered in the Commercial Register in Vaduz under the no. FL-0002.179.813-3.
- 1.3 Corporate Seal.** The Board shall have power to adopt and alter the seal of the Society.
- 1.4 Membership in CFAI.** This Society is not member of CFA Institute (CFAI). The Society works closely with CFAI. To the extent that there is any conflict between the Bylaws of the Society and the Bylaws of CFAI, those of CFAI shall take precedence and shall govern.
- 1.5 Statement of Purpose.** The Society shall not undertake any commercial activities (“nach kaufmännischer Art geführtes Gewerbe”). The mission of the Society is to:
- Grow its members’ base in order to transform the Society into a member of CFAI;
 - Further the public perception and standing of the investment profession as well as to provide services and support for its members in the greater Liechtenstein region;
 - Provide individual members with opportunities for exchanging ideas and information regarding the investment community;
 - Create greater awareness within the membership and among the public of the developments within the profession;
 - Enhance knowledge of the investment process decisions and to encourage a high level of professionalism and ethical behaviour within the Liechtenstein investment community;
 - Promote and increase the acceptance of the CFAI “*Standards of Professional Conduct*” and the “*Code of Ethics*” and the “*Performance Presentation Standards*”;
 - Encourage contact and communication among investment professionals in Liechtenstein and to further promote the interests of the Liechtenstein investment community within the global environment;
 - Promote the CFA® Charter in Liechtenstein and increase its acceptance within the investment profession.

ARTICLE 2 - DEFINITIONS

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

- 2.1** “**Acceptable Professional Work Experience**” includes, as it relates to applicants seeking to become Regular Members or Affiliate Members, activities that consist to a majority extent of:
- (a) evaluating or applying financial, economic, and/or statistical data as part of the Investment Decision-Making Process involving securities or similar investments, which includes, but is not limited, to publicly traded and privately placed stocks, bonds and mortgages and their derivatives; commodity-based derivatives and mutual funds; and other investment assets, such as real estate and commodities, if these other investment assets are held as part of diversified, securities-oriented investment portfolios; or
 - (b) supervising, directly or indirectly, those who practice such activities; or
 - (c) teaching such activities.
- 2.2** “**Affiliate Member**” is an individual who has met the membership requirements set forth in Section 3.3 of the Society Bylaws and whose membership has not been revoked or suspended.
- 2.3** “**Board**” is the Board of Directors of the Society.
- 2.4** “**Bylaws**” refers to the Bylaws of the Society as they may be amended from time to time.
- 2.5** “**CFA Institute**” (**CFAI**) is a Virginia non-stock corporation.
- 2.6** “**CFA Program**” is the Chartered Financial Analyst (CFA[®]) study and examination program developed and administered by CFAI.
- 2.7** “**Chartered Financial Analyst**[®]” and “**CFA**[®]” are marks of CFAI that members authorized by CFAI may use as a professional designation.
- 2.8** “**Code and Standards**” is the *Code of Ethics and Standards of Professional Conduct*, as amended periodically by CFAI.
- 2.9** “**Honorary Member**” is an individual who has met the membership requirements set forth in the Section 3.4 of the Society Bylaws and whose membership has not been revoked or suspended.
- 2.10** “**In Good Standing**” (**IGS**) refers to a member who has paid all applicable CFAI dues in full, has submitted a Professional Conduct Statement to CFAI, and is not currently the subject of a Formal Proceeding or Disciplinary Sanction, as provided in the CFAI Bylaws.
- 2.11** “**Investment Decision-Making Process**” is the professional practice of financial analysis, investment management, security analysis, or other similar professions.
- 2.12** “**Member’s Agreement**” is a document prepared by CFAI setting forth obligations and responsibilities that must be signed annually by every Regular Member and Affiliate Member.



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- 2.13 “Professional Conduct Statement”** is a form prepared by CFAI inquiring into a member’s conduct that must be signed and submitted on an annual basis by each member except those members excused under the CFAI Bylaws on or before a date designated by CFAI.
- 2.14 “Regular Member”** is an individual who has met the membership requirements set forth in the Section 3.2 of the Society Bylaws and whose membership has not been revoked or suspended.
- 2.15 “Retired Member”** is an individual who has met the membership requirements set forth in the Section 3.5 of the Society Bylaws and whose membership has not been revoked or suspended.

ARTICLE 3 - MEMBERSHIP

- 3.1 Classes of Members.** The classes of members in the Society are Regular Members, Affiliate Members, Honorary Members or Retired Members.
- 3.2 Regular Member.** To become a Regular Member of the Society, an individual must be a Regular Member of CFAI and fulfill such other requirements as the Society may impose consistent with the requirements established by CFAI.
- 3.3 Affiliate Member.** To become an Affiliate Member of the Society, an individual shall:
- (a) qualify as, and upon becoming an Affiliate Member of the Society be accepted as, an Affiliate Member of CFAI, and
 - (b) have one year of Acceptable Professional Work Experience; and
 - (c) have passed Level I of the CFA Program or a self-administered standards of professional practice examination in a format established and approved by the CFAI Board of Governors.”
- 3.4 Honorary Member.** Honorary Members are nominated at the sole discretion of the Board because their presence within the Society could serve the Society’s missions. They shall however sign and submit a Member’s Agreement, a Professional Conduct Statement and any additional documentation as requested by the Board.
- 3.5 Retired Member.** To qualify to become a 'retired' Member of the Society, each such individual shall
- (a) at the time of application for retired status, be a Regular Member of the Society;
 - (b) have been a Regular member of the CFAI for five years;
 - (c) no longer be substantially engaged in the Investment Decision-Making Process for Compensation; and
 - (d) agree to the following:
 - (1) to notify the CFAI if retirement status changes;
 - (2) to be listed as 'retired' in the CFAI Membership Directory; and
 - (3) to waive the right to be guaranteed a transfer of membership to another Society.
- 3.6 Member Responsibilities.**

- (a) Each Regular Member and Affiliate Member of the Society shall:
- (i) adhere to all applicable rules and regulations of the Society and of CFAI, including but not limited to their Articles of Incorporation, their Bylaws, the Code and Standards, and other rules relating to professional conduct and membership, all of which may be amended from time to time;
 - (ii) be subject to the disciplinary jurisdiction and sanctions of the Society and CFAI;
 - (iii) submit information relating to professional conduct and activities as the Society or CFAI may request;
 - (iv) produce documents, testify, and otherwise cooperate in disciplinary proceedings of CFAI and adhere to such other applicable requirements as set forth from time to time by CFAI and the Society; and
 - (v) maintain membership „IGS“ with CFAI.
 - (vi) pay the annual Society membership dues.

- 3.7 Application for Membership.** Any individual applying to become a Regular Member or an Affiliate Member of the Society shall file with CFAI and the Society an application for membership, along with additional information or documents as required by CFAI and the Society. The Board shall have the right to review all applications for membership in the Society. In the event of disagreement concerning administration or interpretation of the CFAI requirements of Regular Members and Affiliate Members, the Society shall have the right to appeal to the CFAI Board of Governors. The CFAI Board of Governors, or a designated committee thereof, shall have the authority to make final determinations on the application of membership provisions. Any individual applying for another class of membership shall follow such procedures as the Board shall establish from time to time.
- 3.8 Voting Rights.** Regular Members „IGS“ have voting rights in the Society and each Regular Member „IGS“ shall be entitled to one (1) vote on each matter submitted to the Regular Members. Affiliate Members and other members do not have voting rights in the Society.
- 3.9 Dues.** Membership dues are calculated annually and have to be effected in advance. Any member who fails to pay annual Society membership dues in full shall be automatically suspended from membership in the Society. When payment is made in full, such member shall be automatically reinstated, subject to the Bylaws.
- 3.10 Resignation.** Any member may at any time cease to be a member of the Society by submitting a notice of resignation to the Society President or Secretary. Such resignation shall be effective on receipt, or the date specified, and acceptance thereof shall not be necessary to make it effective unless it so states. The Society shall notify CFAI of the resignation of any Regular Member or Affiliate Member from the Society.
- 3.11 Suspension or Revocation of Membership.** One's membership in the Society may be suspended or revoked at any time for any violation of Section 3.6, as determined and applied by CFAI. In the case of Regular Member and Affiliate Members, membership in the Society shall be suspended or revoked if their membership in CFAI is suspended or revoked. A member whose

membership is revoked or suspended shall not be entitled to any rights or privileges of membership.

- 3.12 Membership List and Member Records.** The Society shall keep a list of the names, business addresses, business affiliations, and membership classifications of all Society members and such other records and information relating thereto as the Board shall determine. The Society shall provide to CFAI such information as CFAI may request and that relates to CFAI activities or to membership in CFAI. However, the society shall abide to the local laws with respect to data protection.

ARTICLE 4 - MEETINGS OF THE MEMBERS

4.1 Meetings.

- (a) All meetings of the members shall be held at a suitable time and place within or without the jurisdiction, 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 President; or
 - (ii) by the Secretary, on receipt of a written petition signed by one-tenth (1/10) of the Regular Members „IGS“.
- (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 „IGS“ to the address, as it appears on the Society membership records, not less than ten (10) or more than sixty (60) days before the meeting date unless a different notice period is required by law.
- (b) Notice of any meeting may be waived in writing signed by the member entitled to notice before or after the date of the meeting. 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, twenty percent (20%) of all Regular Members „IGS“ 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 President may adjourn the meeting to a fixed time and place determined by the President or Secretary.

4.4 Voting.

- (a) Each Regular Member „IGS“ 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 DIRECTORS

5.1 Authority and Responsibility. All corporate powers shall be exercised by or under the authority of, and the business of the Society managed under the direction of, the Board, subject to the Bylaws, the Articles of Incorporation, and applicable law. Only the joint signature of two Officers shall be binding on the Society.

5.2 Composition and Qualification.

- (a) The total number of Directors, including *ex officio* Directors, shall be at least three and shall be determined by the Board from time to time. The President, Vice President, Treasurer, Secretary, and if available and willing to serve, the immediate past Society President ("Past President") shall serve as *ex officio* Directors.
- (b) Only Regular Members „IGS“ are eligible for election and service as a Director.

5.3 Terms and Elections.

- (a) Directors shall be elected by vote of the Regular Members „IGS“ at the annual meeting of members for a term of two (2) years commencing July 1 next following the date of the annual meeting of members and until their successors are chosen and qualified.
- (b) The President, Vice President, Treasurer, and Secretary shall each serve as an *ex officio* Director for a term concurrent with his or her respective term as an officer of the Society.

5.4 Vacancies. A Director's vacancy for any reason may be filled by the Board by the appointment of a successor for the unexpired term of the Director 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, on the written request of a majority of the Directors.
- (b) The date, time, and place of the Board meetings shall be designated by the Board, Chair, or Secretary.

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 Director 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 Director who attends a meeting in person or through the use of any means of communication by which all Directors 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 Directors then serving who are present in person or through the use of any means of communication by which all Directors may simultaneously hear each other during the meeting shall constitute a quorum.

5.8 Voting.

- (a) Each Director, including *ex officio* Directors, shall be entitled to one (1) vote, which shall not be voted by proxy.
- (b) The act of a majority of the Directors 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.

5.9 Resignation.

Any Officer may at any time resign his or her office by delivering a resignation in writing to the Society at its principal office or to another Officer. 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.

5.10 Removal.

Officers elected or appointed by the Board may be removed from their respective offices with or without cause by vote of a majority of the Directors then in office.

ARTICLE 6 - OFFICERS

6.1 Number, Designation, and Qualifications.

- (a) The officers of the Society shall be a President, Vice President, Treasurer, Secretary, and such other officers as the Board may determine.
- (b) Only Regular Members „IGS“ may serve as an officer of the Society.
- (c) A person may hold more than one office at the same time provided that the President and Secretary may not be the same person.

6.2 President.

- (a) The President shall be the chief executive officer of the Society and, subject to the direction of the Board, shall:
 - (i) exercise general supervision and control of the affairs of the Society; and
 - (ii) preside as “Chair” at all meetings of the members and Board; and
 - (iii) unless otherwise appointed as a member thereof, be an *ex officio*, nonvoting member of each Society committee; and
 - (iv) have such other duties and powers as prescribed in the Bylaws, the Articles of Incorporation, by the Board, and by law.
- (b) It shall be the President’s duty to effectuate all orders and resolutions of the Board.

6.3 Vice President. The Vice President shall:

- (a) perform the duties of the President in his or her absence; and
- (b) automatically become the President of the Society in the event of the President’s incapacity, resignation, removal, or death, until such time as the Board may convene to appoint a new President pursuant to Section 5.4; and
- (c) have such other duties and powers as prescribed in the Bylaws, the Articles of Incorporation, by the Board, and by law.

6.4 Secretary. The Secretary shall:



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

6.5 Treasurer. The Treasurer shall:

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

6.6 Appointed Officers. Officer positions other than those listed in Sections 6.1 immediately above may be appointed by the Board at any time and shall hold office for such term as the Board may determine.

ARTICLE 7 – INTERNAL AUDITORS

7.1 Authority and Responsibility.

The internal auditors will meet at least once a year with the Treasurer to check the conformity of the financial statement of the Society. Based on their audit they will propose exoneration to the General Assembly of the Treasurer.

7.2 Composition and Qualification.

There will be two internal auditors, who must be Regular Members "IGS" of the Society.

7.3 Election and Term.

The auditors will be elected by the Members of the Society entitled to vote at the Annual Meeting and shall hold office for a period of two (2) years commencing at the beginning of the fiscal year and until their successors are chosen and qualified.

ARTICLE 8 - COMMITTEES

8.1 Creation and Requirements.

- (a) The Board may establish one (1) or more committees to perform such duties as prescribed by the Board, the Articles of Incorporation, or the Bylaws, provided that such duties are not prohibited by applicable law.
- (b) Except as otherwise provided in the Bylaws, each committee shall act under the supervision and control of the Board and the Board shall have the authority to remove any chair or member of a committee.
- (c) Except as permitted by law and specified in the Bylaws or a resolution of the Board, no committee shall perform any function of corporate power, policy-making, or management.
- (d) Each committee and subcommittee shall adhere to the same procedural requirements as applicable to the Board for notice of meeting, quorum, and voting.

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

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

8.3 Subcommittees. Except as otherwise set forth in the Bylaws, a committee may create one (1) or more subcommittees and shall determine the subcommittee chairs, members, and terms of members. All actions taken by subcommittees shall be subject to review and approval by the appointing committee, or as otherwise set forth in the Bylaws.

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

ARTICLE 9 – FINANCES

9.1 Fiscal Year. The fiscal year of the Society shall begin on July 1 of each year, unless otherwise determined by the Board.

- 9.2 Dues.** The Board shall establish, and may change, dues for Members of the Society. For Regular Members and Affiliate Members, Society dues shall be in addition to, and not in lieu of, CFAI dues. Such dues may be set at levels and for classification of members as determined by the Board.

ARTICLE 10 - PROFESSIONAL CONDUCT

- 10.1 Adoption.** The Society adopts the CFAI Code and Standards, which are incorporated by reference. All Regular Members and Affiliate Members must comply with the provisions thereof.
- 10.2 Enforcement.** The Society and its Board:
- (a) delegate to CFAI all authority and responsibility for enforcement of the Code and Standards with respect to all Regular Members and Affiliate Members of the Society; and
 - (b) shall report to CFAI any violations of the Code and Standards that come to the Society's attention.
- 10.3 Charges.** Any person may, in writing, address the Society or an officer or Director thereof concerning a charge or charges of breach of the Code and Standards by a member. The Board shall promptly forward all such complaints to the CFAI Professional Conduct Program. The complainant may request that the complaint remain sealed until it is received by CFAI.

ARTICLE 11 - INDEMNIFICATION

- 11.1 Limitation of Liability.** The liability of the Members is limited to their payment of the annual member fee.
- 11.2 Indemnity.** Every Director, officer, or Regular Member of the Society and their heirs, executors, and administrators, respectively, shall from time to time and at all times be indemnified and saved harmless out of the funds of the Society, if the funds so permit, from and against:
- (a) all costs, charges, and expenses that such Director, officer, or Regular Member sustains or incurs in or about any action, suit, or proceeding that is brought, commenced, or prosecuted against him or her for or in respect of any act, deed, matter, or thing whatsoever made, done, or permitted by him or her in or about the execution of his or her duties pursuant to the Bylaws.

ARTICLE 12 – AMENDMENT OF THE BYLAWS

- 12.1 Proposal for Amendment.** A proposed amendment of the Bylaws shall be sponsored by at least 2 Directors and shall be submitted to the Secretary at least seven (7) days before the next



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meeting of the Board. The Secretary shall forward the proposed amendment to all Directors at least three (3) days before the meeting.

12.2 Adoption of Amendment.

- (a) An amendment to the Bylaws shall be adopted when approved by a majority of the Regular Members „IGS“ voting in accordance with the requirements of the Bylaws.
- (b) Except to the extent prohibited by law, the CFAI Bylaws are incorporated by reference, and amendments to those Bylaws are also incorporated by reference without the necessity of further action.

ARTICLE 13 - DISSOLUTION

13 Procedure.

- (a) The Society may be dissolved by a three-quarter (3/4) vote of all Regular Members.
- (b) In the event of the liquidation or dissolution of the Society:
 - (i) no member shall be entitled to any distribution or division of its property or its proceeds; and
 - (ii) all funds and property of the Society shall be transferred to or applied for the benefit of one or more not-for-profit corporations or organizations, as then defined by the tax laws to which the Society must adhere, as selected by the Board, and by any court that may exercise jurisdiction over such liquidation or dissolution, if any.