

# CFA SOCIETY OF NEW ZEALAND INCORPORATED

## RULES

**Updated 5 May 2021 (using online voting)**

### **1 Formation**

#### **1.1 Name**

The name of the corporation is “CFA Society of New Zealand” (herein referred to as the “Society”).

#### **1.2 Location**

The principal office of the Society shall be located at such place as the Board of Directors may determine from time to time.

#### **1.3 Common Seal**

The Board shall have power to adopt and alter the seal of the Society.

#### **1.4 Membership in CFA Institute**

1.5 This Society is a Member of CFA Institute.

1.6 To the extent that there is any conflict between the Rules of the Society and the Bylaws of CFA Institute, those of CFA Institute shall take precedence and shall govern.

#### **1.7 The Aims of the Society**

The Society is a not-for-profit organisation and aims to:

- (a) promote the CFA Institute within New Zealand;
- (b) raise the level of professional knowledge of its Members by providing and facilitating continuing education activities;
- (c) promote ethical industry standards within the investment industry; and
- (d) formulate policy and represent the views of the Members in matters of importance affecting the investment profession.

### **2 DEFINITIONS**

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

- (a) **“Affiliate Member”** is an individual who has met the membership requirements set forth in Rule 3.3 and whose membership has not been revoked or suspended.
- (b) **“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:
  - (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 diversified, securities-oriented investment portfolios; or
  - (ii) supervising directly or indirectly those who practice such activities; or
  - (iii) teaching such activities.
- (c) **“Board”** is the Board of Directors of the Society.
- (d) **“CFA Institute”** is the CFA Institute, a Virginia non-stock corporation.
- (e) **“CFA Program”** is the Chartered Financial Analyst (CFA®) study and examination program developed and administered by CFA Institute.
- (f) **“CFA Society of New Zealand Associate Member”** is an individual who has met the membership requirements set forth in Rule 3.4 of the Society Bylaws and whose membership has not been revoked or suspended.
- (g) **“Chartered Financial Analyst”** and **“CFA®”** are marks of CFA Institute that members authorised by CFA Institute may use as a professional designation.
- (h) **“Code and Standards”** is the *Code of Ethics and Standards of Professional Conduct*, as amended periodically by CFA Institute.
- (i) **“In Good Standing”** refers to a member who has paid all applicable CFA Institute dues in full and is not currently the subject of a Formal Proceeding or Disciplinary Sanction, as provided in the CFA Institute Rules of Procedure for Professional Conduct and CFA Institute Bylaws.
- (j) **“Member’s Agreement”** is a document prepared by CFA Institute setting forth obligations and responsibilities that must be signed by every Regular Member and Affiliate Member.
- (k) **“Professional Conduct Statement”** is a form prepared by CFA Institute 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 CFA Institute Bylaws on or before a date designated by CFA Institute.
- (l) **“Regular Member”** is an individual who has met the membership requirements set forth in Rule 3.2 and whose membership has not been revoked or suspended.

- (m) “Rules” refers to the Rules of the Society as they may be amended from time to time.

### **3 MEMBERSHIP**

#### **3.1 Classes of Members**

The classes of members in the Society are Regular Members, Affiliate Members and CFA Society of New Zealand Associate Members.

#### **3.2 Regular Member**

- (a) To become a Regular Member of the Society, an individual shall:
  - (i) be a Regular Member of CFA Institute; and
  - (ii) fulfil those requirements as may be imposed from time to time by the Board of the Society where such requirements are not inconsistent with those established by CFA Institute; and
  - (iii) pay the required membership dues.

#### **3.3 Affiliate Member**

- (a) To become an Affiliate Member of the Society, an individual shall:
  - (i) be accepted as an Affiliate Member of CFA Institute;
  - (ii) fulfil such other requirements as the Society may impose consistent with requirements established by CFA Institute; and
  - (iii) either:
    - (A) be currently enrolled in the CFA Program leading to taking the CFA examinations and being awarded use of the CFA designation; or
    - (B) have passed Level I of the CFA Program; or  
  
have passed a self-administered standards of professional practice examination in a format established and approved by the CFA Institute Board of Governors; and
  - (iv) pay the required membership dues.

#### **3.4 CFA Society of New Zealand Associate Member**

- (a) To become a CFA Society of New Zealand Associate Member, an individual must:
  - (i) demonstrate to the satisfaction of the Board at least two years of relevant professional experience in financial services or related areas, or hold an academic position at a New Zealand tertiary institution; or have successfully passed level one of the CFA Program; and

- (ii) live in New Zealand; or have reason to be connected with New Zealand, such as an expat; and
- (iii) pay the required membership dues

### 3.5 Member Responsibilities

#### 3.5.1 *Regular and Affiliate Members*

- (a) Each Regular Member, Affiliate Member of the Society shall:
  - (i) adhere to all applicable rules and regulations of the Society and of CFA Institute, including but not limited to their Rules, the Code and Standards, these Rules, 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 CFA Institute, including suspension from membership;
  - (iii) submit information relating to professional conduct and activities as the Society or CFA Institute may request;
  - (iv) produce documents, testify, and otherwise cooperate in disciplinary proceedings of CFA Institute and adhere to such other applicable requirements as set forth from time to time by CFA Institute and the Society; and
  - (v) maintain membership In Good Standing with CFA Institute.

#### 3.5.2 *CFA Society of New Zealand Associate Members*

- (a) Each CFA Society of New Zealand Associate Member shall:
  - (i) Complete ethics training specified by the Society, or have passed level one of the CFA Program ;
  - (ii) complete ethics focused CPD as required by the Society and provide details of this upon membership renewal
  - (iii) attest and sign the Code of Conduct Statement for this membership category;
  - (iv) adhere to all applicable rules and regulations of the Society including but not limited to its Articles of Incorporation, these Rules, the Code and Standards, and other rules relating to professional conduct and membership, all of which may be amended from time to time;
  - (v) submit information relating to professional conduct and activities as the Society requests; and
  - (vi) be subject to the disciplinary jurisdiction and sanctions of the Society, including suspension from membership.

- (b) As CFA Society of New Zealand Associate membership does not constitute or confer CFA Charterholder status, CFA Society of New Zealand Associate Members must not, under any circumstances, in any manner, utilise, claim, or imply they are holders of the Chartered Financial Analyst (CFA®) designation.

### 3.6 **Application for Membership**

- (a) Any individual applying to for any category of membership shall file with the Society an application for membership, along with additional information or documents as required by CFA Institute or the Board.
- (b) The Board shall have the right to review all applications for membership in the Society.
- (c) In the event of disagreement concerning administration or interpretation of CFA Institute's requirements of Regular Members and Affiliate Members, the Society shall have the right to appeal to the CFA Institute Board of Governors, and the CFA Institute Board of Governors, or a designated committee thereof, shall have the authority to make final determinations on the application of membership provisions.
- (d) Any individual applying for CFA Society of New Zealand Associate membership shall follow such procedures as the Board shall establish from time to time.

### 3.7 **Voting Rights**

- (a) Only Regular Members In Good Standing have voting rights in the Society and each Regular Member In Good Standing shall be entitled to one (1) vote on each matter submitted to the Regular Members.

### 3.8 **Dues**

- (a) Any member who fails to pay annual Society membership dues in full shall be automatically suspended from membership in the Society.
- (b) When payment is made in full, such member shall be automatically reinstated, subject to these Rules.
- (c) The Board may in its complete discretion, on the application of any member in Good Standing, decide to waive membership dues for any period in light of the member's personal circumstances, such as maternity or paternity leave, or ill health.

### 3.9 **Resignation**

- (a) Any member may at any time cease to be a member of the Society by submitting a notice of resignation to the Chair or Secretary.
- (b) 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.
- (c) The Society shall notify CFA Institute of the resignation of any Regular Member or Affiliate Member from the Society.

### 3.10 **Suspension or Revocation of Membership**

- (a) Membership in the Society may be suspended or revoked at any time for any violation of Rule 3.5 by special resolution of the Board (75% majority).
- (b) In the case of Regular Members and Affiliate Members, membership in the Society shall be suspended or revoked if their membership in CFA Institute is suspended or revoked.
- (c) A member whose membership is revoked or suspended shall not be entitled to any rights or privileges of membership.

### 3.11 **Membership List and Member Records**

- (a) 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.
- (b) The Society shall provide to CFA Institute such information as CFA Institute may request and that relates to CFA Institute's activities or to membership in CFA Institute.

### 3.12 **Retired Member Status**

- (a) A member may become a Retired Member of the Society if he or she:
  - (i) has been a Regular Member or Affiliate Member of CFA Institute for five years;
  - (ii) is no longer substantially engaged in the professional practice of financial analysis, investment management, securities analysis, or other similar profession for compensation;
  - (iii) completes an application provided by the Society; and
  - (iv) fulfils such other requirements as the Society may impose.

### 3.13 **Honorary Member Status**

- (a) A member may be awarded Honorary Member of the Society if he or she:
  - (i) has been a Regular Member, Affiliate Member, or CFA Society of New Zealand Associate Member of CFA Society for five years;
  - (ii) is aged 70 years or older at the beginning of the renewal year; and
  - (iii) fulfils such other requirements as the Society may impose The Honorary Membership will incur \$0 dues for Society membership.

### 3.14 **Payments to Members**

- (a) No Member of the organisation or any person associated with a Member shall participate in or materially influence any decision made by the organisation in

respect of the payment to or on behalf of that Member or associated person of any income, benefit, or advantage whatsoever.

- (b) Any such income paid shall be reasonable and relative to that which would be paid in an arm's length transaction (being the open market value).
- (c) The provisions and effect of this clause shall not be removed from this document, and shall be included and implied into any document replacing this document.

## **4 MEETINGS OF THE MEMBERS**

### **4.1 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 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 Society membership records, not less than fourteen (14) 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.
- (c) 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.

### **4.2 Quorum**

- (a) At any meeting of the members, ten (10) Regular Members In Good Standing represented in person or by proxy at such meeting shall constitute a quorum for the transaction of business.
- (b) 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.

### **4.3 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 these Rules, or applicable law.

## **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 these Rules and applicable law.

### **5.2 Composition and Qualification**

- (a) The number of Directors shall be a minimum of four (4) and a maximum of ten (10) and shall be determined by the Board from time to time.
- (b) The Chair, Vice Chair, Treasurer, Secretary, and if available and willing to serve, the immediate past Society Chair ("Past Chair") shall serve as ex officio Directors.
- (c) Anyone is eligible for election and service as a Director, subject to the requirement that at least four (4) Directors are CFA charterholders.

### **5.3 Terms and Elections**

- (a) Directors shall be elected by vote of the Regular Members In Good Standing at the annual meeting of members for a term of three (3) years commencing 1 December next following the date of the annual meeting of members and until their successors are chosen and qualified.
- (b) The Chair, Vice Chair, Treasurer, and Secretary shall each serve as a Director for a term concurrent with his or her respective term as an officer of the Society.
- (c) Directors may not serve for more than three consecutive terms (9 years).

### **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 fourteen (14) days before the meeting date or be given by telephone, 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 these Rules, 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 these Rules, or by law.

# 6 OFFICERS

## 6.1 Number, Designation, and Qualifications

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

## 6.2 **Chair**

- (a) The Chair 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;
  - (ii) preside as Chair at all meetings of the members and Board;
  - (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 these Rules, by the Board, and by law.
- (b) It shall be the Chair's duty to effectuate all orders and resolutions of the Board.

## 6.3 **Vice Chair**

- (a) The Vice Chair shall:
  - (i) perform the duties of the Chair in his or her absence;
  - (ii) automatically become the Chair of the Society in the event of the Chair's incapacity, resignation, removal, or death; and
  - (iii) have such other duties and powers as prescribed in these Rules, by the Board, and by law.

## 6.4 **Secretary**

- (a) The Secretary shall:
  - (i) act as secretary at all Board and member meetings, including maintaining minutes of such meetings;
  - (ii) notify the members and Directors of all meetings in accordance with these Rules;
  - (iii) comply with all requests for information from CFA Institute; and
  - (iv) have such other duties and powers as prescribed in these Rules, by the Board, and by law.

## 6.5 **Treasurer**

- (a) The Treasurer shall:
  - (i) oversee the receipt and disbursement of all funds;
  - (ii) maintain the Society'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 set out in these Rules, or resolved by the Board.

## 6.6 Election and Term

- (a) Elected officers.
  - (i) The officers shall be elected by the Regular Members In Good Standing at each annual meeting of members.
  - (ii) Each elected officer shall serve for a term of three (3) years, commencing on 1 December following his or her election and continuing until the choosing and qualification of his or her successor.
- (b) Appointed officers.
  - (i) Officer positions other than those listed in Rule 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.

## 6.7 Vacancies

A vacancy in any office, except as otherwise provided in these Rules, may be filled by the Board for the unexpired term of the officer whose place is vacant and until a successor is elected or appointed.

# 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, or these Rules, provided that such duties are not prohibited by applicable law.
- (b) Except as otherwise provided in these Rules, 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 these Rules 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 Committee Chair and Members

- (a) Except as otherwise provided in these Rules:
  - (i) the chair of each committee shall be a Regular Member In Good Standing;
  - (ii) the chair of each committee shall be appointed by the Chair, 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;

- (iii) each member of a committee shall be a Regular Member In Good Standing except to the extent that the Board shall determine otherwise; and
- (iv) 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.

### **7.3 Subcommittees**

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

### **7.4 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.

## **8 FINANCES**

### **8.1 Fiscal Year**

The fiscal year of the Society shall begin on 1 September of each year, unless otherwise determined by the Board.

### **8.2 Dues**

- (a) The Board shall establish, and may change, dues for members of the Society.
- (b) For Regular Members and Affiliate Members, Society dues shall be in addition to, and not in lieu of, CFA Institute dues.
- (c) Such dues may be set at levels and for classification of members as determined by the Board.

### **8.3 Pursuant to an agreement between the Society and CFA Institute, CFA Institute will bill and collect membership dues for the Society.**

#### **8.4 Management of Financial Affairs**

- (a) The Board has control of the Society's funds, and may borrow money on the Society's behalf.
- (b) The Board has the power to decide how funds are to be handled and invested by the Society.

### **9 METHOD OF CONTRACTING**

#### **9.1 Deeds**

Any contract which, if made between private persons, must be by deed must, when made by the Society, be in writing under the common seal of the Society.

#### **9.2 Other written contracts**

Any contract which, if made between private persons, must be in writing signed by the parties to be charged with it may, when made by the Society, be in writing signed by any person acting on behalf of and under the express or implied authority of the Society.

### **10 COMMON SEAL**

- (a) The Society will have a common seal which will be kept in the custody of the Board or any other person the Board may determine.
- (b) The seal must not be affixed to any document or instrument except as authorised by the Board and in the presence of two Board Members who must sign every document or instrument to which the seal is affixed.

### **11 PROFESSIONAL CONDUCT**

#### **11.1 Adoption**

- (a) The Society adopts the CFA Institute Code and Standards, which are incorporated by reference.
- (b) All Regular Members and Affiliate Members must comply with the provisions thereof.

#### **11.2 Enforcement**

- (a) The Society and its Board:
  - (i) delegate to CFA Institute all authority and responsibility for enforcement of the Code and Standards with respect to all Regular Members and Affiliate Members of the Society; and
  - (ii) shall report to CFA Institute any violations of the Code and Standards that come to the Society's attention.

### **11.3 Charges**

- (a) 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.
- (b) The Board shall promptly forward all such complaints to the CFA Institute Professional Conduct Program.
- (c) The complainant may request that the complaint remain sealed until it is received by CFA Institute.

## **12 AMENDMENT OF THE RULES**

### **12.1 Proposal for Amendment**

- (a) A proposed amendment of these Rules shall be sponsored by at least four (4) Directors and shall be submitted to the Secretary at least seven (7) days before the next meeting of the Board.
- (b) 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 these Rules shall be adopted when approved by a majority of the Regular Members In Good Standing voting in accordance with the requirements of these Rules.
- (b) Except to the extent prohibited by law, the CFA Institute Rules are incorporated by reference, and amendments to those Rules are also incorporated by reference without the necessity of further action.

### **12.3 Amendments requiring the approval of the Inland Revenue Department**

Notwithstanding the provisions of 12.1 and 12.2, no addition to or alteration of these Rules is permitted in relation to the Society's non-profit aims as specified in Rule 1.7, personal benefit clause as specified in Rule 3.14, or the winding up clause as specified in Rule 14.1 without the approval of the New Zealand Inland Revenue Department.

## **13 INDEMNIFICATION**

### **13.1 Indemnity**

- (a) 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:
  - (i) 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 these Rules; and

- (ii) from and against all other costs, charges, and expenses that he or she sustains or incurs in or about or in relation to the affairs of the Society except such costs, charges, or expenses as are occasioned by his or her own wilful neglect or default.

## **14 DISSOLUTION**

### **14.1 Procedure**

- (a) The Society may be dissolved by a three-quarter vote of the 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 organisations, 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.