

**BY-LAWS OF THE SOCIETY OF QUANTITATIVE ANALYSTS, INC.**  
A NOT FOR PROFIT CORPORATION

**OBJECT OF THE CORPORATION**

The Society of Quantitative Analysts, Inc. is concerned with the application of quantitative techniques to finance, with particular emphasis on the research, development and implementation of these techniques in investment management. Knowledge of these techniques is useful to money managers and analysts in performing their functions, achieving objectives and in responding to the ever-quickenning pace of change. The object of the Society is to impart such knowledge by various means, including, but not necessarily limited to, educational programs, dissemination of information and development and promotion of quantitative analytical techniques in investment research and management.

**ARTICLE I**  
**MEMBERS**

**SECTION 1. MEMBERSHIP.**

1. Membership shall be open to all persons eighteen years of age and older interested in the purposes of the Corporation.
2. Applicants must be of good character and reputation, among both the members of the organization and in the society at large.
3. Applicants must not have engaged, or be presently engaged, in conduct that harms, disparages, denigrates, or brings ill repute to the Society, to the purposes of the Society, or to those individuals engaged in the promotion, use, dissemination, and study of quantitative analysis in investment management and finance
4. Applicants must have a demonstrated interest in the purposes of the Society, as evidenced by employment, education, or other participation in the application of quantitative techniques to finance.
5. Any criterion for membership may be waived for an applicant by a majority vote of the Board of Directors

The membership and the Board of Directors of the Corporation may establish such other criteria for membership, including, but not limited to, a schedule of dues, as they deem appropriate.

**SECTION 2. MEETINGS.** The Annual Meeting of members shall be held each year at the place, time and date as may be fixed by the Board of Directors, or, if not so fixed, as may be determined by the President of the Corporation. Special meetings shall be held whenever called by the Board of Directors or President.

**SECTION 3. NOTICE OF MEETINGS.** Written notice of the place, date and hour of any meeting shall be given personally or by mail to each member entitled to vote at such meeting. If the notice is given personally or by first class mail, it shall be given not less than ten nor more than fifty days before the date of the meeting; if mailed by any other class of mail, it shall be given not less than thirty nor more than sixty days before such

date. Notice of a special meeting shall also state the purpose or purposes for which the meeting is called.

SECTION 4. QUORUM OF MEMBERS. At all meetings of members, members entitled to cast one hundred votes or one-tenth of the total number of votes entitled to be cast, whichever is lesser, shall be a quorum for the transaction of business. The members present at a meeting may adjourn the meeting despite the absence of a quorum.

SECTION 5. VOTING. At any meeting of the members, each member present in person or by proxy shall be entitled to one vote.

SECTION 6. RECORD DATE. For the purpose of determining the members entitled to vote at any meeting of members, or for the purpose of any other action by the members, the Board of Directors may fix, in advance, a date as the record date for any such determination of members. Such record date shall not be more than fifty nor less than ten days before the date of such meeting.

SECTION 7. ACTION BY MEMBERS. Except as otherwise provided by law or by these By-Laws, the vote of a majority of members entitled to vote, if a quorum is present at such time, shall be the act of the members.

#### SECTION 8:

##### A. GROUNDS

Members may be expelled from the society and stripped of all rights and privileges of membership on the following grounds:

1. For conduct that is disruptive of the society's functions;
2. For conduct that is destructive to the purposes of the society;
3. For conduct that directly and unnecessarily defies the duly considered and decided actions of the society, its officers and Board of Directors;
4. For conduct that brings ill repute upon the society; and
5. For cause.

The Board of Directors shall consider whether conduct violates the By-Laws. When sufficient justification for expulsion is found to exist, the Board of Directors shall draw up the charges and notify the member of the decision to pursue expulsion.

##### B. NOTICE

1. At least ten days before the hearing, the member subject to expulsion shall receive notice by personal service or by certified mail to the last address on file with the society.

2. The notice shall specify the charges against the member, and shall advise the member of the date, time and place of the hearing, and of his or her right to present a defense.

### C. HEARING

1. The member shall be entitled to a fair and impartial hearing held by the Board of Directors or by a Committee of the Board of Directors of no less than five members, at a date, time and place chosen by the Board or the Committee. No Director with a direct interest in the subject matter of the controversy shall participate or vote on the expulsion of the member.

2. The Board or its Committee shall present its charges against the member. The member shall have an opportunity to explain or refute the charges against him or her, including the right to produce witnesses and other evidence in his or her defense. The member shall have the right to the assistance of counsel at his or her own expense.

3. The Board or its Committee shall weigh the evidence at the conclusion of the hearing and take a vote to determine whether the member is guilty of offenses sufficient to justify expulsion.

4. The expulsion of a member shall be allowed only upon the majority vote of the Board of Directors or of its duly appointed Committee.”

## ARTICLE II

### BOARD OF DIRECTORS

SECTION 9. POWERS AND NUMBER. The Corporation shall be managed by its Board of Directors. The number of directors constituting the entire Board shall be at least fourteen.

SECTION 10. ELECTION AND TERM OF OFFICE. Directors shall be elected to hold office for a term of three years. For the purpose of staggering their terms of office, the Directors shall be divided into three classes as nearly equal in number as may be possible and the term of office of the several classes shall expire in successive years. Directors shall be elected by the members of the Corporation at the Annual Meeting.

SECTION 11. VACANCIES AND RESIGNATIONS. Vacancies on the Board of Directors shall be filled by the affirmative vote of a majority of the directors in office at any meeting of the Board of Directors. Any director may resign from office at any time by delivering a resignation in writing to the President of the Board, and acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

SECTION 12. MEETINGS. Meetings of the Board may be held at any place within or without this state. The time and place for holding meetings shall be fixed by the Board. The Annual Meeting shall be held directly following the Annual Meeting of members. A

special meeting may be called at any time by the President or by written demand of six or more members of the Board of Directors.

SECTION 13. QUORUM AND VOTING. At such times as the total number of Directors fixed by the By-Laws is fifteen or less, the quorum for the transaction of business shall be at least one-third of the entire number of Directors. At such times as the total number of Directors fixed by the By-Laws is more than fifteen, the quorum shall be at least five members plus one additional member for every ten members (or fraction thereof) in excess of fifteen. No Director may vote by proxy at a meeting of the Board.

SECTION 14. ACTION BY THE BOARD. Except as otherwise provided in these By-Laws or by law, the vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall constitute the act of the Board. Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee. Any one or more members of the Board or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

SECTION 15. NOTICE OF MEETINGS. Notice of the time and place of each regular or special meeting of the Board, together with a written agenda stating all matters upon which action is proposed to be taken and, to the extent possible, copies of all documents on which action is proposed to be taken, shall be mailed to each director, postage prepaid, addressed to him or her at his or her residence or usual place of business (or at such other address as he or she may have designated in a written request filed with the Secretary), at least eight days before the day on which the meeting is to be held; provided, however, that notice of special meetings to discuss matters requiring prompt action may be sent to him or her at such address by telegram or cablegram or given personally or by telephone, no less than forty-eight hours before the time at which such meeting is to be held. Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

### ARTICLE III OFFICERS

SECTION 16. NUMBER OF OFFICERS. The officers of the Corporation shall be a President, Vice-President, a Secretary, and a Treasurer and such other officers, if any, as the Board of Directors may from time to time appoint. One person may hold more than one office in the Corporation except that no one person may hold the offices of President and Secretary. No instrument required to be signed by more than one officer may be signed by one person in more than one capacity.

SECTION 17. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be chosen at the Annual Meeting of the Board of Directors. The term of office shall be one year.

SECTION 18. EMPLOYEES AND OTHER AGENTS. The Board of Directors may appoint from time to time such employees and other agents as it shall deem necessary, each of whom shall hold office at the pleasure of the Board, and shall have such authority and perform such duties and shall receive such reasonable compensation, as the Board of Directors may from time to time determine.

SECTION 19. REMOVAL. Any officer, employee or agent of the Corporation may be removed with or without cause by a vote of the majority of the entire Board of Directors.

SECTION 20. VACANCIES. In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be elected by the Board of Directors.

SECTION 21. POWERS AND DUTIES. The President shall preside at meetings of the members and of the Board of Directors and shall have general supervision of the affairs of the Corporation and shall keep the Board of Directors informed about the activities of the Corporation. He or she has the power to sign alone, unless the Board of Directors shall specifically require an additional signature, in the name of the Corporation, all contracts authorized either generally or specifically by the Board. He or she shall perform such other duties as shall from time to time be assigned by the Board of Directors.

The Vice-President shall be responsible for the implementation of all programs of the Corporation and such other powers and duties as may be assigned to him or her by the Board of Directors. In the absence of the President, the Vice-President shall perform the duties of the President.

The Secretary shall be responsible for the giving and serving of all notices of the Corporation and shall perform all the duties customarily incident to the office of the Secretary, subject to the control of the Board of Directors, and shall perform such other duties as shall from time to time be assigned by the Board of Directors.

The Treasurer shall keep or cause to be kept full and accurate accounts of receipts and disbursements of the Corporation, and shall deposit or cause to be deposited all moneys and other valuable effects of the Corporation in the name and to the credit of the Corporation in such banks or depositories as the Board of Directors may designate. At the Annual Meeting of the Board of Directors and whenever else required by the Board of Directors, he or she shall render a statement of the Corporation's accounts. He or she shall at all reasonable times exhibit the Corporation's books and accounts to any officer or director of the Corporation and shall perform all duties incident to the position of Treasurer subject to the control of the Board of Directors, and shall when required, give such security for the faithful performance of his or her duties as the Board of Directors may determine.

## ARTICLE IV COMMITTEES

SECTION 22. NOMINATING COMMITTEE. Nominations for members of the Board of Directors shall be made by a Nominating Committee composed of the President and two other members of the Board selected by the Board. The Committee shall propose a slate to the Board. The slate must be approved by a majority of the entire Board. The ballot, including the names of the approved slate, shall be mailed to the members of the Corporation with the notice of meeting of the Annual Meeting of members.

Any member shall have the right to suggest for consideration by the Nominating Committee candidates to serve on the Board of Directors. Members shall also be allowed to write in the names of candidates of their own choosing directly on the ballot sent to them. The ballot shall contain a write-in space.

SECTION 23. OTHER COMMITTEES OF THE BOARD. The Board, by resolution adopted by a majority of the entire Board, may establish and appoint an executive and other standing committees. The President of the Board of Directors shall appoint the chairperson of each committee. Each committee so appointed shall consist of three or more directors and, to the extent provided in the resolution establishing it, shall have all the authority of the Board except as to the following matters:

1. the filling of vacancies on the Board or on any committee;
2. the amendment or repeal of the By-Laws or the adoption of new By-Laws;
3. the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable;
4. the fixing of compensation of the directors for serving on the Board or any committee.

Special committees may be appointed by the President of the Board of Directors with the consent of the Board and shall have only the powers specifically delegated to them by the Board.

## ARTICLE V FISCAL YEAR

The fiscal year of the Corporation shall be determined by the Board of Directors.

## ARTICLE VI INDEMNIFICATION

The Corporation may, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he, his testator or intestate was a director, officer, employee or agent of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees.

ARTICLE VII  
AMENDMENTS

These By-Laws may be amended by the affirmative vote of a majority of the directors in office at any meeting of the Board of Directors, or by the members of the Corporation at a meeting duly called for the purpose of amending these By-Laws, providing notice of the proposed amendment has been included in the notice of meeting.

Revised 4/25/00

# SOCIETY OF QUANTITATIVE ANALYSTS

## Amendment to the By-Laws

On September 27, 2000, the following amendment to the by-laws was distributed electronically to the members of the Board of Directors:

### ARTICLE I MEMBERS

#### SECTION 1. MEMBERSHIP.

1. Membership shall be open to all persons eighteen years of age and older interested in the purposes of the Corporation.
2. Applicants must be of good character and reputation, among both the members of the organization and in the society at large.
3. Applicants must not have engaged, or be presently engaged, in conduct that harms, disparages, denigrates, or brings ill repute to the Society, to the purposes of the Society, or to those individuals engaged in the promotion, use, dissemination, and study of quantitative analysis in investment management and finance
4. Applicants must have a demonstrated interest in the purposes of the Society, as evidenced by employment, education, or other participation in the application of quantitative techniques to finance.
5. Any criterion for membership may be waived for an applicant by a majority vote of the Board of Directors

The membership and the Board of Directors of the Corporation may establish such other criteria for membership, including, but not limited to, a schedule of dues, as they deem appropriate.

An official vote was taken electronically, and the amendment was approved by a majority vote by the following members:

Eugene Flood, Jr., Ph.D.  
James P. Gordon, CFA  
P. Brett Hammond, Ph.D.  
Robert L. Hagin, Ph.D.  
Stephen J. Brown, Ph.D.  
Marcia Kramer Mayer, Ph.D.  
Gita R. Rao, Ph.D.  
George Reid  
Robert E. Shultz  
George H. Boyd III, CFA  
Joel Kaplan  
Bruce G. Smith  
Kenneth Winston, Ph.D.  
Kent A. Clark, CFA  
Michelle R. Clayman, CFA  
Robert C. Jones, CFA

*Recorded by Joanne Dawson, for SQA*