

By Laws of The American Finance Association

Article I Name and Purposes

The name of this corporation shall be the American Finance Association. The purposes of the corporation as stated in its certificate of corporation are "to provide for the mutual association of persons with an interest in finance; to improve public understanding of financial problems, and to provide for an exchange of financial ideas through the distribution of a periodical and other media; to encourage the study of finance in colleges and universities; to conduct such other activities as may be appropriate for a non-profit, professional society in the field of finance." The corporation also has such powers as are now or may hereafter be granted by the General Not for Profit Corporation Act of the State of Illinois.

Article II Offices

The corporation shall have and continuously maintain in this state a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without the State of Illinois as the Board of Directors may from time to time determine.

Article III Members

Section 1. Classes of Members. The corporation shall have one class of members¹:

Active Members: for individuals who pay annual dues

Section 2. Qualifications. Any person having a professional interest in finance shall be eligible for membership in the Association and may become a member thereof by making proper application to the Executive Secretary and Treasurer and by paying dues as prescribed.

Section 3. Voting Rights. Each active member shall be entitled to one vote on each matter submitted to a vote of the members.

Section 4. Termination of Membership. The Board of Directors by affirmative vote of two-thirds of all of the members of the board may suspend or expel a member for cause after an appropriate hearing, and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who becomes in default in the payment of dues.

Section 5. Resignation. Any member may resign by filing a written resignation with the secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments or other charges theretofore accrued and unpaid.

Section 6. Transfer of Membership. Membership in this corporation is not transferable or assignable.

¹ Members holding life memberships as of July 1, 2001 shall become Active Members and retain that status for life without additional dues.

Section 7. Fellows of the American Finance Association. Members of the association may be elected Fellows of the AFA to recognize their distinguished contributions to the field of finance. Since presidents of the association are selected primarily on the basis of their contribution to the field of finance, all past and future presidents are designated as Fellows. Each year, no more than five members shall be nominated as Fellows of the AFA by the Nominating Committee authorized under Article VI of these by-laws. From those nominated, the current fellows shall elect annually no more than two members as fellows. The immediate past president shall chair the election, which is to take place prior to the next annual meeting.

Article IV Board of Directors

Section 1. General Powers. The affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number. The Board of Directors shall consist of sixteen members.

Section 3. Composition of the Board. The Board of Directors shall consist of the President, the past two Presidents, the President-Elect, the Vice President, the Executive Secretary and Treasurer, the Editor of the *Journal of Finance*, and nine directors elected at large. Directors elected at large will serve a three-year term with three being elected each year by mail ballot. Nominations of six or more persons will be made by the Nominating Committee. Names will be included on the same ballot as for the election of the President provided in Article V, Section 2. Write-in votes shall be counted. The three persons having the highest number of votes will be elected.

Section 4. Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this by-law, immediately before, and at the same place as, the annual meeting. Special meetings may be called by or at the request of the President or any four directors.

Section 5. Quorum. Seven members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board, provided that if less than seven of the directors are present at said meeting, a majority of the directors present may adjourn the meeting.

Section 6. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these by laws.

Section 7. Vacancies. Any vacancy occurring in the Board of Directors or any directorship to be filled by reason of an increase in the number of directors shall be filled by the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Article V Officers

Section 1. Officers. The officers of the corporation shall be a President, President-Elect, a Vice President, and an Executive Secretary and Treasurer.

Section 2. President. The President shall be the principal executive officer and shall perform all duties incident to the office of president and such other duties as may be provided by the Board of Directors. The President shall be elected for a one-year term by the members. The nominee of the Nominating Committee shall be the current President-Elect. Space shall be provided on the ballot for write-in votes, which shall be counted. The results of the election shall be certified and announced by the Executive Secretary and Treasurer at the annual meeting.

Section 3. President-Elect. The President-Elect shall serve for a one-year term and in the following year shall be the only nominee of the Nominating Committee for President. He or she shall have included in his or her duties the function of the Chair of the Program Committee with the responsibility of appointing the committee members and such other tasks as may be assigned by the President. The sole nominee of the Nominating Committee for this office shall be the current Vice President. Space shall be provided on the ballot for write-in votes, which shall be counted. The nominee and space for write-in votes shall appear on the same ballot as the election of the President, provided in Article V, Section 2. The results of the election shall be certified and announced by the Executive Secretary and Treasurer at the annual meeting.

Section 4. Vice President. The Vice President will serve for a one-year term and in the following year shall be the only nominee of the Nominating Committee for President-Elect. In the absence of the President-

elect or in the event of his or her inability or refusal to act, the Vice President shall perform also the duties of the President-elect. The Vice President shall be elected for a one-year term by mail ballot. Nominations of two or more persons will be made by the Nominating Committee. Names will be included on the same ballot, as the election of the President, provided in Article V, Section 2. Space shall be provided on the ballot for write-in votes, which shall be counted. The results of the election shall be certified and announced by the Executive Secretary and Treasurer at the annual meeting.

Section 5. Executive Secretary and Treasurer. The Executive Secretary and Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation and perform all the duties incident to the office of treasurer; shall keep the minutes of the meetings of members and of the Board of Directors, see that all notices are duly given, be custodian of the corporate records and seal, keep the record of members' names and addresses, and in general perform all the duties incident to the office of secretary. The Executive Secretary and Treasurer shall be appointed for an indefinite term by the Board of Directors and serve until relieved by the Board of Directors.

Article VI Committees

Section 1. Nominating Committee and Procedures. At each annual meeting, the Board of Directors shall appoint a Nominating Committee for the sunsequent year consisting of the incoming President as Chairman and not less than five other members of the Association. In addition to these appointees, the Committee shall include any other member of the Association nominated by petition containing the signatures of two or more percent of the individual active members of the Association, delivered to the Executive Secretary and Treasurer before December 1 of the pervious year. The names of the members appointed by the Board of Directors will be announced to the membership and published on the Association's website or other appropriate media immediately following appointment.

The Nominating Committee shall meet at the next annual meeting after their appointment to prepare a list of nominees for the various offices and for the Board of Directors, all of whom are members of the Association. In the event of a vote, the majority of the members of the Committee will decide the outcome with the Chairman having one vote. The Chairman shall confirm the willingness of the nominees to run for election and present a final list of nominees to the Executive Secretary and Treasurer by August 1. In addition to the persons nominated by the Nominating Committee, an additional nomination for any office or for the directors may be made by petition containing the signatures of four or more percent of the individual active members of the Association. This petition must be submitted to the Executive Secretary and Treasurer by September 1. The Executive Secretary and Treasurer shall then prepare a ballot listing all nominees by the Nominating Committee and by petitions containing sufficient signatures. The election of officers and directors shall take place by electronic balloting via the Association's website. The balloting is to be conducted by the Executive Secretary and Treasurer before December 7 of each year. In order to allow effective solicitation of petitions for nominations, the Executive Secretary and Treasurer shall make available at cost a mailing list of members of the Association to any member upon request. In case of a tie in the voting for any office, the Executive Secretary shall resolve the tie by a flip of a coin.

Section 2. Executive Committee. The Executive Committee shall consist of the President, the immediate past-President, the President-Elect, the Vice President, the Executive Secretary and Treasurer, and the Editor of the *Journal of Finance*. The Executive Committee shall assist the President in performing her or his duties as principal executive officer of the Association.

Section 3. Other Committees. The President shall have power to appoint such committees, as he or she considers necessary for the functioning of the Association. The Board of Directors shall be informed of any new committee and, at the request of any board member, may subject it to review.

Article VII Publications

Section 1. Journal of Finance. The official publication shall be the *Journal of Finance*.

Section 2. Editor, Journal of Finance. The Editor shall be responsible for the review, selection, and editorial processing of articles submitted for publication in the *Journal*. He or she shall be appointed for a three year term by the Board of Directors with that term being renewable once for an additional term of up to three years.

Section 3. Distribution. Each member shall receive each of the publications of the corporation. Sales of subscriptions, copies, and other services to institutions and other non-members including certified students, and of additional copies to members, may be made at such prices and under such conditions as authorized by the Board of Directors.

Article VIII Contracts, Checks, Deposits, and Funds

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts or other order for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Executive Secretary and Treasurer may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the corporation, any contribution, gift, bequest or device for the general purpose of the corporation.

Article IX Books and Records

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, board of directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time. The financial statements of the corporation shall be audited annually by an independent auditor approved by the Board of Directors.

Article X Fiscal year

The fiscal year of the corporation shall begin on the 1st day of October and end on the 30th day of September of the following year.

**Article XI
Dues**

Section 1. Annual Dues. The amount of annual dues shall be determined from time to time by the Executive Secretary and Treasurer as confirmed by a majority of the Board of Directors.

Section 2. Payment of Dues. Dues shall be payable in advance on the 2nd day of December.

**Article XII
Waiver of Notice**

Whenever any notice whatever is required to be given under the provisions of the articles of incorporation or the by laws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**Article XIII
Amendments to By-Laws**

These by-laws may be altered, amended or repealed and new by-laws may be adopted by a majority of the directors present at any regular meeting or at any special meeting, provided that such alteration, amendment, repeal, or new by-laws shall be inoperative if disapproved by a majority of the members in any mail vote for such purposes or disapproved by a majority of members present at the annual meeting of the members immediately following the action taken by the directors.

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