

AMENDED AND RESTATED
BYLAWS
OF
SECURITY ANALYSIS
AND RISK MANAGEMENT ASSOCIATION

Adopted: May 5, 2009
Change 1: February 2, 2010

LIST OF CHANGES

Change 1 Adopted at Board of Directors Meeting February 2, 2010. Article V Section 2 was amended to increase the number of Directors from nine (9) to eleven (11).

**Bylaws
of
Security Analysis and Risk Management Association**

Article I: Name

Section 1. Name. The name of this non-profit corporation is Security Analysis and Risk Management Association, a Virginia non-profit corporation hereinafter referred to as the “Association.”

Article II: Purposes and Limitations

Section 1. The Association is hereby organized for the following purposes:

- (i) To provide an association of individuals and organizations having a professional interest in the development of standards and methodologies to bring uniformity to the security analysis and risk management profession through collaboration and the exchange of ideas;
- (ii) To provide strategic guidance for the field of security analysis and risk management including, without limitation, identifying best practices in the field, providing for expert review of methodological concepts and approaches, and acting as a governing authority for voluntary professional standards;
- (iii) To support the professional development of security analysis and risk management practitioners through risk analysis and risk management training, education and certification to ensure the quality and robustness of security analysis and risk management professionals and the various methodologies in use by the profession;
- (iv) To promote and improve the communication, dissemination and use of such information and knowledge for the benefit of its members and the people and organizations they serve;
- (v) To engage in any other activity permitted to be engaged in by corporations: (a) exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986, as the same may be amended or supplemented (the “Code”) and (b) formed under the Virginia Nonstock Corporation Act, as the same may be amended or supplemented (the “Act”).
- (vi) To assist other charitable and educational organizations in the conduct of similar activities related to the Association;
- (vii) To establish such offices as may be necessary to accomplish the above purposes; and
- (viii) To engage in any and all lawful activities incidental to the foregoing purposes except as restricted in the Articles of Incorporation.

Section 2. The Association is organized exclusively for the common business interest benefit of improving the security analysis and risk management profession, including, for such purposes, the making of distributions to organizations exempt from federal income tax under Code Section 501(c)(6).

Section 3. No part of the property, assets, or net income of the Association shall inure to the benefit of its Officers, Directors, committee members, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein.

Section 4. Notwithstanding any other provision of these Bylaws, the Association shall not carry on any other activities not permitted to be carried on by a corporation: (i) exempt from federal income tax under Code Section 501(c)(6) and (ii) formed under the Act.

Article III: Offices

Section 1. Offices. The Association shall maintain in the Commonwealth of Virginia a registered agent, and may have offices located inside or outside of the Commonwealth of Virginia as shall be determined by the Board of Directors of the Association (the “Board”).

Article IV: Membership

Section 1. Class and Qualifications of Membership. There shall be one class of membership and such additional subclasses of membership as established by the Board. Without limiting other classes of members that may be established, any person, firm, or corporation who is or has been engaged in, or affiliated with, the security analysis and risk management profession may be included in the class or classes of membership. Application for membership in the Association shall be made pursuant to procedures established by the Board.

Section 2. Membership Powers and Rights. The membership shall have all powers and rights provided by law, the Articles of Incorporation and these Bylaws, including, but not limited to, (i) electing Directors in accordance with the provisions of Article V, (ii) removing Directors, (iii) amending the Articles of Incorporation or these Bylaws, and (iv) dissolving the Association. Members shall be entitled to vote at any annual, regular, or special meeting of the membership. Each member shall have one (1) vote. Proxy voting shall be allowed at membership meetings.

Section 3. Determination of Membership Dues and Obligation to Pay. Membership in the Association carries a definite obligation to pay any membership dues and assessments established by the Board. The Board shall fix the amount of membership dues and/or assessments (if any) for all membership classes.

Section 4. Termination of Membership. Membership in the Association and/or specific

membership privileges, may be terminated if members do not conduct themselves in a manner consistent with the SARMA Code of Ethics, pay the required membership dues, or act in a manner inconsistent with other policies adopted by the Board. Actions terminating membership of a member will be taken by an affirmative vote of the Board.

Section 5. Annual and Regular Meetings. There shall be an annual meeting of the membership to be held at a time and place designated by the Board of Directors. There may be other regular meetings of the membership as the Board may decide. Notice of such meetings shall be given to all members at least thirty (30) days before the date of the meeting. Notice shall include the date, place, hour of the meeting, and any business known to be brought at the meeting. The Association may provide notice of any regular or annual meeting of the membership by any means of delivery that is allowed by the Act at the time the notice is given.

Section 6. Special Meetings. Special meetings of the membership may be held by direction of the Board. The Board shall fix the time and place for holding any special meetings. Notice of any special meeting of the membership shall be provided to each member at least ten (10) days before the date of the meeting. Notice shall include the date, place, hour, and purpose of such meeting. The Association may provide notice of any special meeting of the membership by any means of delivery that is allowed by the Act at the time the notice is given.

Section 7. Quorum. A quorum for elections and other business transactions voted upon by the members shall be ten percent (10%) of the members of the Association.

Section 8. Manner of Acting. The affirmative vote of a majority of the members present and voting at a duly called meeting of the members at which a quorum is present and/or voting by mail (or other method authorized by the Board and permitted by law) provided the total number of votes equals or exceeds the number necessary for a quorum, shall be the act of the membership, except as otherwise provided by law, by the Association's Articles of Incorporation, by these Bylaws, or by the adopted parliamentary authority. Each member shall have one (1) vote on all matters submitted to a vote of the members. Voting by proxy shall be allowed as determined by the Board.

Section 9. Action by Written Ballot. Pursuant to the Association's Articles of Incorporation and the Act, any action that may be taken at a meeting of the members may be taken without a meeting if the action is approved in writing by members holding a majority of the voting power of the members voting on such action, presuming that the number of votes approving such action is equal to at least a quorum; provided, however, if the Act or these Bylaws specifically require approval by a higher proportion to take a certain action, then such proportion shall be required to take such action by written consent. The action must be evidenced by one (1) or more written consents bearing the date of execution and describing the action taken, signed by members who would be entitled to vote at a meeting of the members having voting power to cast not fewer than the minimum number of votes that would be necessary to authorize or take the corporate action at a meeting at which all members entitled to vote thereon were present and

voted, delivered to the Association for inclusion in the minutes or filing with the corporate records, and otherwise carried out pursuant to the requirements of the Act. The written ballot required under this Section may be delivered in any manner or format allowed by the Act at the time the ballot is to be taken.

Article V: Board of Directors

Section 1. Elections. There shall be an election by ballot for Directors of the Association at each annual meeting of the Members. At the first annual meeting, approximately 50% of the Directors elected will be elected for a term of two (2) years, and the remaining Directors will be elected for a term of one (1) year. Unless another method is approved by the Directors before such initial annual meeting, the fifty percent (50%) of the Directors who have received the most votes (or, in the event an odd number of Directors are elected, the Directors who have received the most votes and who total just more than a simple majority of all Directors) shall be deemed elected for two (2) years. At each annual meeting thereafter, a number of Directors equal to that of those whose terms have expired shall be elected for a term of two (2) years. At the expiration of any term of two (2) years, any Director may be reelected. No Director may serve more than three (3) consecutive two (2) year terms without at least a one (1) year break in service. In the event that the number of Directors is increased or decreased, the terms of the Directors shall be established to provide for approximately one-half (1/2) of the Directors to be elected each year.

Section 2. Number. [Amended February 2, 2010] The Board shall consist of no less than five (5) and no more than nineteen (19) members. The current number of Directors is fixed at eleven (11).

Section 3. Board Chairperson. The Board of Directors shall elect from within its membership a Board Chairperson to serve for a term of two (2) years. A majority of a quorum present shall be necessary to elect a Board Chairperson. The Board Chairperson shall coordinate and preside at the meetings of the Board of Directors and the Executive Committee. Elections to replace a Chairperson whose term has expired shall be held at the first Board meeting following the annual membership meeting.

Section 4. Annual and Regular Meetings. An annual meeting of the Board shall be held at such time and place, located either inside or outside of the Commonwealth of Virginia, as designated by resolution of the Board without notice required other than pursuant to these Bylaws and such resolution. The Board may provide by resolution the time and place, either inside or outside of the Commonwealth of Virginia, for the holding of additional regular meetings of the Board without notice required other than these Bylaws and such resolution.

Section 5. Special Meetings. Special meetings of the Board may be called by or at the request of the Board Chairperson or any three (3) Directors. The Board Chairperson shall fix the time and place of such meetings.

Section 6. Notice. Notice of any special meeting of the Board shall be provided to each Director in writing not less than two (2) weeks before the time set for such meeting, and must include the time, date, place, and purpose of such meeting. Any Director may waive notice of any meeting before, at, or after such meeting. The attendance of any Director at a special meeting without protesting the lack of notice of such meeting prior to the conclusion of the meeting, shall constitute a waiver of notice by such Director.

Section 7. Executive Committee. There will be an Executive Committee, to consist of the Board Chairperson, President, and Executive Vice President, that will act in conjunction with the Treasurer and have such authority as the Board may grant it to act between meetings of the Board (including committing funds for Association business of up to \$5,000), except with respect to matters that are prohibited by the Act or those that materially change the purpose, direction, values, or goals of the Association.

Section 8. Quorum. A majority of the Directors in office shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 9. Manner of Acting. The affirmative act of a majority of the Directors present at a duly called meeting of the Board at which a quorum is present shall be the act of the Board, except as otherwise provided by law, by the Association's Articles of Incorporation, by these Bylaws, or by the parliamentary authority. No proxy voting shall be permitted.

Section 10. Teleconferencing. Any Director participating in a meeting of the Board may participate by means of telephone conference call or by any means of communication that is permitted by law and by which all persons participating in the meeting are able to hear one another and otherwise fully participate in the meeting. Any Director participating in a meeting of the Board may participate by any other electronic means allowed by the Act at the time the meeting takes place. Such participation shall constitute presence in person at the meeting.

Section 11. Action by Board Between Meetings. Whenever in the judgment of the Executive Committee a question arises that should be put to a vote of the entire membership of the Board and cannot await a regular or special meeting, the action required may be taken without a meeting if each Director signs a consent describing the action to be taken and delivers it to the Association. The Board of Directors may submit and sign a consent by electronic or other legally acceptable means. A unanimous vote of all Board members in favor of the issue presented must be received in order for the issue to be approved.

Section 12. Minutes. Minutes of each meeting of the Board shall be recorded by the Secretary, or, in the absence of the Secretary at such meeting, another person appointed by the Chairperson.

Section 13. Removal of Directors. Any Director may be removed at any time by an affirmative vote of the members.

Section 14. Vacancies.

(i) In the event of the death, disability, or withdrawal of the Board Chairperson, the title and all duties and obligations shall be assumed by the President on an interim basis until such time as the Board is able to elect a new Board Chairperson to serve for the remainder of the vacating Board Chairperson's term.

(ii) Any other vacancy occurring on the Board may be filled by the vote of a majority of the Directors then in office. Any Director so elected by the Board will serve until the next election of Directors by the membership, at which time the members shall elect a successor for the vacancy.

Section 15. Compensation. The Board may authorize compensation to a Director for services rendered on behalf of the Association so long as such compensation does not violate the Association's Conflict of Interest policy.

Article VI: Officers

Section 1. Number. The Officers of this Association shall be a President, an Executive Vice President, a Secretary, and a Treasurer. The Officers may also include such other Vice Presidents and positions as the Board of Directors may specify.

Section 2. Method of Election. The Board of Directors shall elect all Officers for a term of two (2) years, the President and Executive Vice President being elected from the membership of the Board of Directors. An affirmative vote of a majority of a quorum present at the meeting of a Board of Directors shall be necessary to elect an Officer. Elections to replace Officers whose terms have expired shall be held at the first Board meeting following the annual membership meeting.

Section 3. Duties of Officers. The duties and powers of the Officers of the Association shall be as follows:

(i) **President.** The President shall preside at the meetings of the Association membership and the Officers, and shall be a member ex officio, with the right to vote, on all committees. The President shall also, at the annual membership meeting of the Association and such other times as he/she deems proper, communicate to the Association or to the Board of Directors such matters and make such suggestions as may in his/her opinion tend to promote the prosperity and welfare and increase the usefulness of the Association, and shall perform such other duties as are necessarily incident to the office of the President.

(ii) **Executive Vice President.** The Executive Vice President shall preside over coordination meetings among the various Association Committees. The Executive Vice President shall also have such other duties as may be specified by the President. In case of the death, disability, or absence of the President, the Executive Vice President shall

assume the duties of the President. The Executive Vice President will serve in the role of the President until the President is able to resume his/her duties, or until the Board elects a successor President.

(iii) **Secretary.** The Secretary shall have responsibility for preparing and maintaining custody of minutes of the Directors' and members' meetings and for authenticating records of the Association. It shall be the duty of the Secretary to give notice of and attend all meetings of the Association and keep a record of their doings; to conduct all correspondence and to carry into execution all orders, votes, and resolutions not otherwise committed; to notify the Officers and Board members of the Association of their election; to prepare, under the direction of the Board of Directors, an annual report of the transactions and condition of the Association; and generally, to devote his/her best efforts to forwarding the business and advancing the interests of the Association. In case of death, disability, or absence of the Secretary, the President will appoint a Secretary pro tem until the Secretary is able to resume his/her duties or the Board elects a successor Secretary.

(iv) **Treasurer.** The Treasurer shall maintain control and oversight of the financial accounts and transactions of the Association. This shall include but is not limited to: (a) preparing an annual budget for the Association; (b) monitoring actual expenditures against the budget; (c) preparing and submitting the Association's annual report and tax return; and (d) maintaining the currency of Association information with Dunn and Bradstreet and other financial services and accounts of the Association. The Treasurer shall ensure that all moneys received and expended by the Association are accounted for, and that all disbursements and reimbursements made are based on the approval of the Treasurer and at least two (2) members of the Executive Committee. The Treasurer and/or its designee from the Executive Committee shall deposit all sums received by the Association into the Association's savings, checking, investments, or merchant accounts. However, only the Treasurer shall draw or transfer funds out of or between accounts. The exception to this rule is the use of the Association's credit or debit cards, which may be provided to select Association Officers for the convenience of conducting official Association business. These transactions, and those made by the Association Directors, Officers, and chairs of the Association's committees from their personal funds, shall be reimbursed in accordance with the Association's policies as established in its reimbursement request form. The Treasurer shall maintain the Association's financial records and report on the financial status of the organization at the request of the President or the Board Chairperson and make those records available for inspection of the Executive Committee or their designee. At the expiration of his/her term of office, he/she shall deliver over to his/her successor all books, moneys, and other property, or, in the absence of a Treasurer-elect, to the President. In case of the death, disability, resignation, or absence of the Treasurer, the Secretary will serve in the role of the Treasurer until the Treasurer is able to resume his/her duties or the Board elects a successor Treasurer.

Section 4. Bond of Treasurer. The Treasurer shall, if required by the Board of Directors, give to the Association such security for the faithful discharge of his or her

duties as the Board may direct. However, the fee for such bond or security shall be paid by the Association.

Section 5. Vacancies. All Officer vacancies shall be filled by the Board of Directors without undue delay, at the Board's regularly scheduled meeting following the time that such an Officer vacancy occurs, or at a meeting specially called for that purpose.

Section 6. Compensation. The Board may authorize compensation to an Officer for services rendered on behalf of the Association so long as such compensation does not violate the Association's Conflict of Interest policy.

Article VII: Nomination and Election

Section 1. Generally. The Board shall elect a Nominating Committee to nominate candidates for election to the Board of Directors. The Nominating Committee shall be comprised of five (5) members, which shall include the Nominating Committee Chair. The Nominating Committee shall elect its own Nominating Committee Chair. It shall be the duty of the Nominating Committee to recommend to the Board the timelines and procedures for the nomination and election of the Board prior to the call for nominations (the "Nominating Committee Guidelines"). The Nominating Committee Guidelines shall be subject to the approval of the Board. For each election, the Board shall set the date on which newly elected Directors and Officers shall assume office if not already provided for in these Bylaws. Any Association member may present names for consideration to the Nominating Committee.

Section 2. Presentation of Slate. The Nominating Committee shall attempt to present such candidates for each Director position who is to be elected in the current year.

Section 3. Nominations by Members. Nominations other than those made by the Nominating Committee may be made by a petition signed by twenty-five (25) members. Such petition must be filed with the Secretary prior to the deadline for nominations set by the Board and must be accompanied by written acceptance of the nominee.

Section 4. Voting. Election of Directors shall be by ballot of the members as described in Article V (Section 1) herein, with the following exception. The Board, by an affirmative vote of the Board members present and voting at a Board meeting at which a quorum is present, may fill any mid-term vacancy created by the death, disability, or resignation of a member of the Board. The term of office for such elections shall be that which remained for the departed Director.

Section 5. Other Duties. From time to time, the Nominating Committee may be tasked by the Board to identify candidates for other positions, such as Officers of the Association.

Article VIII: Committees

Section 1. By resolution, the Board may create one or more committees, including without limitation Standing Committees, Advisory Committees, and Special Committees, and appoint Board members and/or non-members to serve on such committees. Each committee may have two (2) or more committee members who serve at the pleasure of the Board. To the extent specified by the Board, each committee may exercise the authority of the Board, except that a committee may not exercise any authority prohibited by law.

Section 2. No member may serve on any one (1) Committee more than six (6) consecutive years.

Section 3. Each Committee shall submit to the Board a written annual report of its activities that shall contain any recommendations considered necessary or advisable. Additional reports may be submitted at the option of a Committee or as requested by the Board or the President.

Section 4. Unless otherwise authorized by the Board, funds for Committee expenses shall be authorized by the Board through an annual allotment or upon submission of an estimated budget.

Section 5. Standing Committees and Special Committees may establish subcommittees to assist in their work. Subcommittees may include nonmembers of the Association.

Article IX: Employees

Section 1. Authorization of Paid Positions. The Board of Directors may, in furtherance of the Association's mission, authorize such paid positions as it deems necessary to support the day-to-day operation of the Association. In so doing, the Board may also authorize the payment of such salaries or compensation as it determines to be fair and reasonable for these positions, so long as such compensation does not violate the Act.

Section 2. Personnel Policies. In the event that the Board authorizes such paid positions, the President shall, in consultation with appropriate legal counsel, establish and maintain the necessary personnel policies on behalf of the Association. Such personnel policies shall conform with all applicable laws and requirements.

Section 3. Personnel Actions. In the event that the Board authorizes such paid positions, the President or his/her designee shall be responsible for initiating all personnel actions associated with these positions, which include personnel hiring, supervising, and termination.

Section 4. Reporting Structure. Such positions as authorized by the Board shall report to the President of the Association through the reporting structure the President

determines to be most advantageous, as long as such reporting structure is consistent with these Bylaws.

Article X: Finances

Section 1. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors.

Section 2. Contracts. The Board may authorize any Officer or agent of the Association, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Association shall be signed by such Officer or Officers or such agent or agents of the Association and in such manner as shall be determined by the Board. In the absence of such determination by the Board, such instruments shall be signed by the President or by the Treasurer of the Association.

Section 4. Deposits. All funds of the Association shall be deposited to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

Article XI: Books and Records

The Association shall keep correct and complete books and records of account, and shall keep minutes of the proceedings of the Board, Committees having any of the authority of the Board, and the Association membership.

Article XII: Limitation of Liability and Indemnification

Section 1. Limitation of Liability. The personal liability of the Officers, Directors, committee members, and Employees of the Association is hereby eliminated to the fullest extent permitted by the Act and the Code.

Section 2. Indemnification. The Association shall, to the fullest extent permitted by the Act and the Code, indemnify and hold harmless each Officer, Director, committee member, and Employee of the Association from and against any and all liabilities, costs, and expenses (including attorneys' fees and expenses) reasonably incurred by him or her or on his or her behalf in connection with any legal action or proceeding to which he or she may be a party by reason of his or her being or having been an Officer, Director, committee member, or Employee of the Association, or by reason of any action alleged to have been taken or omitted by him or her in such capacity. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any agreement, vote of disinterested Directors, or

otherwise, both as to action in his or her official capacity and as to action in any other capacity while holding such office. Such indemnification shall continue as to a person who has ceased to be an Officer, Director, committee member, or Employee of the Association, and shall inure to the benefit of the heirs, executors, administrators, beneficiaries, and other successors in interest or obligation of such person.

Section 3. Insurance. The Association shall be authorized but not required to purchase insurance for the purpose of the indemnification provided for herein; provided, however, that such indemnification shall not be limited by the scope or extent of such insurance.

Article XIII: Duration and Dissolution

The duration of the Association shall be perpetual, except that it may be dissolved in the manner provided by the Act. Upon the dissolution of the Association, and after paying or making provision for the payment of all of the liabilities of the Association, all assets of the Association shall be distributed for one (1) or more of the Association's exempt purposes within the meaning of Code Section 501(c)(3) or (6), or shall be distributed to the federal government, or to a state or local government, for a public purpose, in such manner as the Board shall determine.

Article XIV: Parliamentary Authority

The rules contained in the tenth edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Association may adopt.

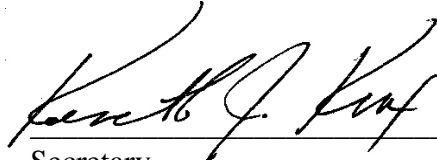
Article XV: Amendments

These Bylaws may be adopted, amended, or repealed by an affirmative vote of the Board at any legally constituted Board of Directors meeting or in accordance with Article V, Section 11.

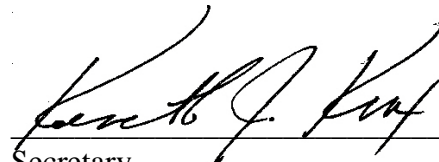
CERTIFICATE OF ADOPTION OF AMENDED AND RESTATED BYLAWS

I do hereby certify that the above and foregoing Bylaws of said Association were adopted on May 5, 2009, and the same do now constitute a complete copy of the Bylaws of the Association, inclusive of any and all previously adopted amendments.

May 20, 2009


Secretary

Change 1 to Article V Section 2 incorporated February 2, 2010


Secretary