

CONSTITUTION OF THE NATIONAL FEDERATION OF MUNICIPAL ANALYSTS

ARTICLE I - NAME

The official name of this organization shall be the National Federation of Municipal Analysts (NFMA).

ARTICLE II - PURPOSE

The NFMA is a not-for profit association of municipal analyst societies and affiliated individual members. The NFMA's mission is to enhance the professional development and analytical contributions of municipal market participants through best-in-class educational programs, networking opportunities, and targeted advocacy, while promoting diverse thoughts, perspectives, and representation for the benefit of an equitable and inclusive municipal bond industry.

ARTICLE III - LOCATION

The principal office of the NFMA will be located at such place as the Board of Governors may determine. The NFMA is incorporated in the State of Illinois.

ARTICLE IV - MEMBERSHIP

The NFMA shall consist of the four "Charter" organizations: (i) the Boston Municipal Analysts Forum, the Chicago Municipal Analysts Society, the Municipal Analysts Group of New York, and the Southern Municipal Finance Society; (ii) Constituent Societies including the California Society of Municipal Analysts, the Minnesota Society of Municipal Analysts, the Municipal Analysts of the Rocky Mountains, the Philadelphia Municipal Analyst Society, as well as other new societies approved for membership by the Board (the Charter organizations and Constituent Societies are hereafter collectively referred to as the Constituent Societies); (iii) and individual members representing affiliated individual members (Affiliated Individual Members), associate members (Associate Members) and student members (Student Members), all as defined below.

Section 1 - Classes of Membership

There shall be five classes of members in the NFMA: Constituent Societies, Regular Members of Constituent Societies, Affiliated Individual Members, Associate Members, and Student Members, all as hereinafter defined in Article IV. For the purpose of this Article “Regular Members” shall be defined as resident, full dues paying members of such Constituent Societies and Affiliated Individual Members. Only Regular Members shall have the rights to serve on the Board of Governors and to comment on or object to amendments to the Constitution, as provided herein.

Section 2 - Application and Admission Procedures

- a) **Constituent Societies:** An application for admission as a Constituent Society shall be submitted to the Executive Committee, as hereinafter described in Article V, Section 2. The Executive Committee shall review the application and any accompanying material, and vote whether to recommend acceptance to the full Board within ninety (90) days of the receipt of the application. Such an application for admission will be considered for a vote by the full Board not later than the next scheduled meeting of the Board. The Chair of the Board, at his or her discretion may solicit a vote earlier than the date established for the next scheduled Board meeting. Acceptance shall require a majority vote of all current Governors (as defined herein). If such an application is approved by the Board, the individual members of the organization seeking affiliation with the NFMA will automatically become Regular Members of the NFMA. If such an application is rejected, the rationale for the rejection shall be provided to the organization so affected, and the organization may appeal the decision in writing, and such appeal must be reviewed by the Executive Committee and submitted to the Board of Governors for reconsideration at the next regularly scheduled meeting. If upon appeal the application is rejected a second time,

the organization may reapply, but not for a period of at least one (1) year.

- b) **Individual Members:** Any individual wishing to apply for membership to the NFMA alone or for membership in the NFMA and a Constituent Society must apply through the NFMA membership application. Candidates for membership in the NFMA alone, which would include Affiliated Individuals, Associate Members and Student Members, shall be reviewed by the Executive Director for qualification and a vote by the majority of the members of the Executive Committee . Candidates for membership in the NFMA and a Constituent Society must also apply, but approval of said application shall be granted by the applicable Constituent Society.
- c) **Affiliated Individual Members:** Any individual who is not a regular member of a Constituent Society may apply for membership as an Affiliated Individual Member of the NFMA. Affiliated status is available only to those persons not having reasonable access to membership in a Constituent Society.
- d) **Associate Members:** Any individual who is not a Regular Member of a Constituent Society and does not meet the requirements for membership as an Affiliated Individual Member may apply for membership as an Associate Member of the NFMA. Associate Members may not serve as an officer of the NFMA, nor may they serve on the Board, or vote.
- e) **Student Members:** Any individual who has an interest in municipal credit analysis and is a full-time student in an accredited college or university program, may apply as a Student Member of the NFMA. Further, educators in said programs are also eligible for membership in this category. Student Members may not serve as an officer of the NFMA, nor may they serve on the Board, or vote.

Section 3 - Removal of Members

- a) The privilege of membership to the NFMA imposes adherence to the NFMA's established Code of Ethics. Allegations of violations of the NFMA's Code of Ethics are to be reported promptly to the Chair of the NFMA, and a committee will be established by the NFMA Chair with guidance from the Executive Committee or Board to review the allegations (Board of Inquiry).
- b) If the Board of Inquiry finds reasonable evidence of a violation, the Board may by a three-fourths majority vote of all Governors authorize appropriate disciplinary action including expulsion from membership. The Member or Members so expelled are barred from reapplication for membership for a period of not less than ten (10) years.
- c) The Board, upon the recommendation of the Executive Committee, may by the unanimous vote of all Governors ask for the resignation of a Member or Members whose career status or circumstances have changed sufficiently that the nature of the person's or persons' current employment is no longer consistent with the spirit of the NFMA's then current membership requirements.

ARTICLE V - BOARD OF GOVERNORS

Section 1 - Board of Governors

The general affairs of the NFMA shall be administered by the Board of Governors (collectively, the "Board" and each member of the Board, a "Governor"). The Board shall be composed of members as follows: four officer positions consisting of the Chair, Vice Chair, Treasurer and Secretary (Officers); one (1) appointee of each Constituent Society; up to seven additional positions for At-Large Governors; and the Immediate Past Board Chair for a one year term. If a Constituent Society Governor is appointed as an Officer, that Society may appoint a replacement

Constituent Society Governor to fill the vacant position. The Board vote for Officers would precede the At-Large vote, to allow for any replacement At-Large Governors. Vacancies on the Board of Governors shall be filled pursuant to Article VIII, Section 6 of this Constitution.

Section 2 - Executive Committee

The Board will create an Executive Committee to manage the routine operations of the Board and to carry out directives of the Board. The Executive Committee shall have authority to act upon questions in accordance with existing policy on behalf of the Board, provided (a) that the Executive Committee shall, through the mailing of its minutes to all Governors, promptly inform the full Board of all decisions it has made and (b) that decisions of the Executive Committee shall be submitted to the full Board for approval whenever any three or more Governors shall challenge such decisions, in which case a majority vote of all Governors shall be required to approve any such decisions. The Executive Committee will be composed of up to 8 members, including the four Officers of the NFMA, the Immediate Past Chair, and two ~~or three~~ Governors appointed by the Chair. At the discretion of the Chair, the Appointed At-Large Governor (as defined below) may be appointed by the Chair to the Executive Committee as a non-voting member.

Section 3 – Limitation of Personal Liability of Governors

To the fullest extent that the laws of the State of Illinois, as in effect of the adoption of this Section 3 or as such laws are thereafter amended, permit elimination or limitation of the liability of Governors, no Governor shall be personally liable as such for monetary damages for any action taken, or any failure to take any action, as a Governor. Specifically, a Governor shall not be personally liable for monetary damages unless the act or omission of the Governor involved willful or wanton conduct as set forth in 805 Illinois Compiled Statutes Annotated Section 108.70 (805 ILCS 108.70) Any amendment or repeal of this Section 3 or adoption of any other provision of

this constitution which has the effect of increasing Governor liability shall operate prospectively only and shall not have any effect with respect to any action taken, or failure to act, prior to the adoption of such amendment, repeal or other provision.

This Section 3 shall not apply to a Governor's responsibility or liability under any criminal statute or a Governor's liability for payment of taxes under any local, state or federal law.

ARTICLE VI - ELECTION AND APPOINTMENT OF GOVERNORS

Each Constituent Society shall exercise full autonomy in the election process used to determine its representation on the Board and shall make such a determination not later than December 31, for the term commencing the following January 1st. The term of Governors appointed by Constituent Societies shall be one year. The Board shall vote at the fall meeting to fill the Elected At-Large Governor positions that begin the following January 1, immediately following the election of the NFMA officers. No Governor who is not an Officer may serve on the Board for more than six consecutive years.

Section 1 - Application process for Elected At-Large Governors

The Executive Director shall notify the NFMA membership no later than August 30th of elections for At-Large Governor positions that will commence the following January 1st. Candidates for At-Large Governors positions must be Regular Members, who shall volunteer or may be recommended for positions by September 30 in the year before the vacancy. Each candidate shall fill out an application for an At-Large Governor position. The NFMA Executive Director will review applications to ensure completion and qualification. All applications received will be disseminated at the same time to the entire Board for review at a minimum of two weeks prior to the fall Board meeting. At any one time there will be no more than six (6) elected At-Large Governors (the Elected At-Large Governors). The term for each Elected At-Large Governor shall

be two years and the terms shall be staggered such that up to three (3) Elected At-Large Governors are elected each year.

Section 2 - Voting Procedure for Elected At-Large Governors

The Board is responsible for the election of Officers and Elected At-Large Governors. Following the vote for the NFMA officers, the vote for At-Large Governor candidates will take place. Voting shall be conducted by secret ballot, with one or more successive ballots. The number of ballots shall equal the number of open seats, and each sitting Governor may cast a vote for up to a number of candidates equal to the number of open seats to be filled in the election. A majority vote by the Board is required to fill each such Elected At-Large Governor position. If on any ballot a candidate receives a number of votes greater than the majority of the Board, he or she is automatically elected. No Governor may cast more than one vote per candidate on each ballot. Ties are to be resolved with additional rounds of voting for the tied candidates until resolved.

Section 3 - Alternate At-Large Governors

The candidate with the next highest number of votes on the final Elected At-Large ballot shall be designated an "Alternate" and shall become an Elected At-Large Governor if an Elected At-Large Governor seat becomes vacant for any reason. In this case, the Alternate shall fill the seat so vacated and shall serve the remainder of that Elected At-Large Governor's term.

Section 4 – Appointed At-Large Governor

Each year the newly elected Executive Committee will determine whether to appoint one (1) At-Large Governor (the Appointed At-Large Governor). Only a Regular Member may be appointed by the Executive Committee as the Appointed At-Large Governor. The Appointed At-Large Governor's term will commence on January 1 and will be one year. The Appointed At-Large

Member may be reappointed but may not serve for more than four consecutive years. The Appointed At-Large Member shall be a non-voting Governor.

ARTICLE VII - REQUIREMENTS FOR THE BOARD OF GOVERNORS

Section 1 – Annual Meeting Requirement

A Board meeting shall be called by the Chair at least once annually and will require attendance by three-fifths of all Governors to make a quorum. In addition, in order to conduct business as outlined in this Article VII, one Governor from each Constituent Society must be present or otherwise represented.

No business may be conducted without a quorum present. All decisions of the Board will be made by a majority vote with one vote per Governor with the Chair carrying an additional vote to become operative only in the case of a tie. Meetings may be held and business conducted either in person or via phone. The business of the NFMA shall be conducted according to the latest version of Robert's Rules of Order; however, the Chair, at his or her discretion, may invoke any other rules of order.

Section 2 – Committee Membership and Participation Requirement

Each Governor is required to participate in at least one Committee or subcommittee per year. For purposes of this section, a Committee can be any of the those listed in Article X or any subcommittee created as provided herein. Each Governor must be physically present for at least one Board meeting each year (to the extent the Board holds in person meetings).

ARTICLE VIII - ELECTION OF OFFICERS OF THE NFMA

The Board shall annually elect a Chair, Vice Chair, Treasurer and Secretary. Elections shall take place prior to December 15, with Officer terms beginning January 1 or the first business day thereafter.

Section 1 - Chair

The Chair shall have and may exercise the powers and duties commonly incident to his office. The Chair shall preside at all meetings of members and at all meetings of the Board of Governors. The Chair shall have such duties and exercise such powers as are prescribed herein as well as such other duties and powers as the Board may prescribe. The Chair is an ex-officio member of all Committees.

Section 2 - Vice Chair

The Vice Chair shall perform the duties of the Chair in his or her absence and shall automatically assume the Chair of the NFMA in the event of the Chair's resignation or death. The Vice Chair shall automatically rise to Chair of the NFMA following his or her year in this position. In the event that the Vice Chair is unable to succeed the Chair, the Secretary or the Treasurer, or current Governors who have served in either of these positions shall be eligible to run; if one or more current or past Officers elect to run, there shall be a vote of the Board to determine the Chair, with a majority of the Board required for a candidate to be elected.

Governors who are eligible to run for the office of Vice Chair include individuals who are serving or have served as Secretary, Treasurer, Industry Practices Chair, or Disclosure Chair, with the exception that the Treasurer in the middle of a two-year term must wait until the year when his or her term will be completed in order to run. The Vice Chair will serve as Chair of the Industry Practices Committee. The Vice Chair shall also perform the duty of Parliamentarian, advising the Chair, staff or members on parliamentary procedure and interpretation of this Constitution, and shall serve as "timekeeper" at Board meetings to keep discussion on track, and assure that all agenda items are given due attention. The Vice Chair shall have such other duties and may exercise such other powers as the Board of Governors may prescribe.

Section 3 - Treasurer

The Treasurer shall have and may exercise the powers and duties commonly incident to this office.

The Treasurer shall serve as the Chair of the Finance Committee established in Article X, Section 4, and in that role, is responsible for the overall financial reporting and investment management for the NFMA. The Treasurer shall have such other duties and may exercise such powers as prescribed herein, as well as such other duties and powers as the Board may prescribe. The Treasurer's term of office is two (2) years, with a maximum term of office of four (4) years, if re-elected.

Section 4 - Secretary

The Secretary shall serve as the Chair of the Education Committee established in Article X. The Secretary shall have such other duties and may exercise such other powers as prescribed herein, as well as such other duties and powers as the Board may prescribe.

Section 5 - Officer Nominations

Only Governors are eligible to serve as Officers of the NFMA. Each candidate for an Officer position must submit a brief written qualifications summary to the Board by a deadline to be set by the Executive Committee and communicated to the Board. All candidates' applications shall be sent to the entire Board for consideration a minimum of two weeks prior to the fall Annual Board meeting. A majority of the Board shall be necessary to elect each Officer.

Section 6 - Vacancies

Except as provided for in Article VI, Section 3 and Article VIII, Section 2, a vacancy in any office may be filled by the Board by the election of a successor for the unexpired term of the Governor whose place is vacant. The Nominations Committee (as defined in Article X, Section 5) shall solicit recommendations for vacancies from the governing body of the constituency represented

by the vacancy and make a recommendation of one or more candidates for the office. The successor shall be voted upon by the Board within 30 days of the seat becoming vacant, with a simple majority required for election.

ARTICLE IX - MEMBERSHIP IN MORE THAN ONE CONSTITUENT SOCIETY

If a person is a Regular Member of more than one Constituent Society, that person shall be considered a member of the society of his or her specific designation for purposes of defining membership status.

ARTICLE X - STANDING COMMITTEES

There are hereinafter established seven (7) Standing Committees, such committees to be formed and to have the duties and limited authority as provided in this Article X.

Section 1 - Committee Chairs and Members

Only Governors of the NFMA shall serve as Standing Committees Chairs; provided however, a co-chair of each Standing Committee who is a Regular Member but not a Governor may be appointed by the concurrence of the Board. Except as indicated herein, chairs of the Standing Committees shall be appointed by the Chair of the NFMA. . Each committee chair, in consultation with the Chair of the NFMA, may propose the creation of subcommittee(s) and shall provide the Board a written proposal regarding the scope and duties of such subcommittee and a recommendation for a chair of such subcommittee. Upon authorization by a majority vote of the Board of Governors, such subcommittee may be formed. At the discretion of the Board, an ad-hoc committee may be formed for a specific purpose and time period. Both subcommittees and ad-hoc committees may be chaired by Regular Members who are not Governors.

Section 2 – Executive Committee

The Executive Committee is defined under Article V, Section 2.

Section 3 - Membership Outreach Committee

This committee shall be chaired by a Governor, who is responsible for activities of subcommittees deemed appropriate to developing and maintaining relationships with Constituent Societies, new members and universities, and with existing members and the public via social media.

Section 4 - Finance Committee

The Finance Committee shall be chaired by the Treasurer of the NFMA. This committee shall be responsible for the sound management of the financial affairs of the NFMA and for the development of sponsorships. In furtherance of the provisions of Article XII, Section 1, this committee shall be responsible for preparing, prior to the start of each fiscal year, a budget containing an estimate of revenues and expenditures for all operations of the NFMA for the coming year. The budget shall be submitted to the Board for approval no later than the first meeting of the year to which the budget applies. Ongoing expenses of the NFMA shall be paid on a continuing basis whether or not a budget for the then current year has been approved by the Board. The Finance Committee is also responsible for oversight of the investments of the NFMA pursuant to the Investment Policy in effect at the time.

Section 5 – Nominations Committee

The Nominations Committee shall be chaired by the Immediate Past Chair, and shall be responsible for both Awards and overseeing Board nominations, as needed. The Nominations Committee will be convened annually to identify industry developments for evidence of unusual substantial contributions on the part of practicing professionals and to recommend such persons for recognition by the Board. This recognition may be conferred at either the Annual Conference or at a special time as so designated by a majority vote of the Board. There is no requirement that

an award be given in any fiscal year, and it is intended that such an award shall be reserved for extraordinary contributions.

Section 6 - Education Committee

The Education Committee shall be chaired by the Secretary of the NFMA and additionally consist of the chair(s) of any subcommittees established for the purpose of organizing educational events.

Examples of subcommittees that would be under the purview of the Education Committee include those established for Advanced Seminars, the Annual Conference and the Introduction to Municipal Bond Credit Analysis.

The Education Committee shall be responsible for providing general educational development and review for the NFMA, including establishing annual goals and agenda items for seminars and conferences sponsored by the NFMA and submitting proposals for such seminars and conferences to the Executive Committee Board for approval. Subcommittees will follow guidelines established and approved by the Board, as applicable.

Section 7 - Industry Practices Committee

The Industry Practices and Procedures Committee shall be responsible for examining municipal market issues and addressing the concerns of the NFMA with regards to practices and standards within the industry. The Vice Chair shall chair this committee together with a co-chair approved by the Chair. This committee may study proposals brought to the NFMA and then report its findings to the Board for further consideration. This committee may also be directed by the Board to implement actions recommended by other committees or the Board regarding issues affecting or affected by the municipal finance industry.

Section 8 - Disclosure Committee

The Disclosure Committee shall be responsible for developing and reviewing guidelines pertaining to the disclosure of information concerning issuers and other parties responsible for the repayment of municipal debt instruments, both at the time of issuance and throughout the life of the debt.

Section 9 - Reports of Committees

The chair of each committee established herein shall prepare a report on the activities of his or her respective committee and submit such reports at Board meetings.

ARTICLE XI – ANNUAL MEETING

The NFMA shall hold an annual meeting for the entire membership each year on such date and at such time as the Board shall determine. The annual meeting will be held to provide members with the opportunity to hear from officers and key committee chairs about the activities of the NFMA. The annual meeting may take place at the Annual Conference or by means of teleconference, the internet, or other electronic communications technology.

ARTICLE XII - FINANCES OF THE NFMA

Section 1 - Expenses

An annual budget, corresponding to the January 1- December 31 operating year, and a mid-year interim report will be submitted by the Treasurer to the Board of Governors for approval.

Section 2 - Annual Dues

The payment of annual dues is to be made by the expiration date of membership of each respective member. The schedule of member dues shall be reviewed annually by the Finance Committee so as to determine their appropriateness given the then current financial requirements of the NFMA. The Board may, by a two-thirds vote of those Governors, revise the schedule of dues.

Section 3 - Special Assessments

The Board may, by the unanimous vote of all Governors, authorize the levy of special assessments on all classes of members except Students.

Section 4 – Staff Compensation

The Board shall be authorized to appoint staff to manage the business affairs of the NFMA. The professional staff shall be compensated in accordance with market norms.

ARTICLE XIII – INDEMNIFICATION OF GOVERNORS, OFFICERS AND EMPLOYEES

Section 1 – Judgments, Fines, Settlements and Expenses

The NFMA shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that such person is or was a Governor, Officer, employee or agent of the NFMA or is or was serving at the request of the NFMA as a Governor, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if the act or failure to act giving rise to the claim for indemnification is not determined by a court to have constituted willful misconduct or recklessness.

Section 2 – Expenses

To the extent that a Governor, Officer, employee or agent of the NFMA has been successful on the merits or otherwise in the defense of any action, suit or proceeding referred to in Section 1 of this Article XIII, or in defense of any claim, issue or matter therein, such person shall also be

indemnified against expense (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 3 Advancement of Expenses

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the NFMA in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Governor, Officer, employee or agent to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the NFMA pursuant to this Article XIII.

Section 4 – Nonexclusivity of Article XIII

The indemnification provided by this Article XIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled and shall continue as to a person who has ceased to be a Governor, Officer, employee or agent of the NFMA and shall inure to the benefit of heirs, executors and administrators of such a person.

ARTICLE XIV - AUTONOMY OF CONSTITUENT SOCIETIES

Member societies shall enjoy full autonomy in the exercise of their business provided, however, that no activity will jeopardize the legal or tax-exempt status of the NFMA, or its reputation. Constituent Societies shall remain financially autonomous with distinct bank and investment accounts. Decisions about how a Constituent Society spends its money can only be made by that society's board.

Section 1 - Membership Requirements

Membership requirements of the Constituent Societies shall be determined in conjunction with the NFMA, and should reflect the requirements prescribed in the membership application in terms of

both job responsibilities and experience. Constituent Societies have the right to approve individuals for membership, as described in Article IV, Section 2 herein.

Section 2 - Selection of Representative

Each society shall determine its method of selecting its representative to the NFMA's Board of Governors.

ARTICLE XV - DIRECTORY OF NFMA MEMBERS

The NFMA may authorize the creation and maintenance of a digital directory of NFMA membership. Such a membership list may be used by the NFMA for any purpose authorized by the Executive Committee.

ARTICLE XVI - AMENDMENTS TO THE CONSTITUTION

Section 1 - Proposal of Amendments

- a) By the Board: Amendments to this Constitution may be proposed by the Board of Governors upon two-thirds approving vote by the Board. In order for a proposed amendment to be considered, all Governors must be provided with at least seven (7) day advance written notice of the upcoming meeting accompanied by a copy of the proposed amendment.
- b) By the Membership: Amendments to the Constitution may also be proposed by 10% of the NFMA membership through written application to the Secretary of the NFMA.

Section 2 - Requirements for Amendments

Each proposed amendment shall be published in the Municipal Analysts Bulletin. Regular Members of the NFMA (as defined in Article IV, Section 1) will have sixty (60) days after each proposed amendment is so published to comment on or object to said amendment. If either: (a) more than 5% of the membership of the NFMA, or (b) 25 members, whichever is less, object in

writing to the Secretary of the NFMA regarding the proposed amendment, said amendment will require a three-fourths vote of approval by the Board in order to become effective; otherwise, said amendment will become effective upon the termination of the 60-day comment period without further action by the Board. If defeated, an amendment may not be proposed again for a period of one year.

Section 3 - Form of Amendments

Amendments to this Constitution shall either take the form of new articles or shall be incorporated as changes to the text of existing articles.

ARTICLE XVI - EFFECTIVE DATE OF THIS CONSTITUTION

The Constitution shall become effective upon a three-fourths vote of all Governors and shall contain within this Article XVII that effective date. The Chair shall sign and the Secretary shall countersign their approval and authentication of this Constitution. Once approved, the Secretary of the NFMA shall maintain an authenticated copy of this Constitution and amendments thereof, if any.

Original adoption 11/83. Revisions 8/92, 9/93, 2/01, 7/04, 8/06, 8/10, 8/12, 6/13, 8/19, 12/21, 1/26