

RESTATED BYLAWS

OF THE

NATIONAL ASSOCIATION OF PERSONAL FINANCIAL ADVISORS, INC.

PREAMBLE

This document is a complete restatement of Bylaws previously approved by the Board of Directors of NAPFA (as defined herein). All current policies and procedures being used by NAPFA, as approved under the terms of previous versions of these Bylaws, are hereby affirmed unless specifically modified.

GOVERNANCE

ARTICLE I

Section 1 - Name

The name of this organization shall be the National Association of Personal Financial Advisors, Inc. (hereinafter referred to as "NAPFA"). NAPFA is an exempt corporation under Section 501(c)(6) of the Internal Revenue Code of 1954, as amended, incorporated under the laws of the State of Indiana.

Section 2 – Organization

The governing body of NAPFA is the National Board of Directors (hereinafter referred to as the “Board of Directors”) as such body is defined herein. The Board of Directors shall have the general power to manage and control the affairs of the organization and establish policies and procedures to achieve the objectives of NAPFA.

ARTICLE II  
DEFINITIONS

Terms listed are used within this document and are defined in NAPFA's Policies and Procedures Manual, as modified from time to time.

- Comprehensive Financial Planning
- Fee-Only
- Member
- Membership
- Membership Meeting
- NAPFA-Registered Financial Advisor
- Policies and Procedures Manual

ARTICLE III  
OBJECTIVES

The objectives of NAPFA shall be to:

1. Serve and foster the practice of comprehensive financial planning on a Fee-Only basis.
2. Provide opportunities for financial planners to increase their skills and knowledge and promote expertise in the techniques, methods and tools of practicing financial planning.
3. Advance public awareness of financial planning and the value of Fee-Only financial planning.
4. Establish and enforce criteria prohibiting the sale of financial products by its membership.

ARTICLE IV  
MEMBERSHIP

Section 1 - Eligibility

Eligibility for membership in NAPFA shall be based upon the following:

1. The Member must be an individual offering Fee-Only comprehensive financial planning to clients either individually or as a member of a firm.
2. The primary business of the Member shall be providing personal financial planning advice.
3. The Board of Directors may establish categories of memberships with unique membership privileges.
4. Other criteria for Membership may be adopted from time to time by the Board of Directors. The Board of Directors may define terms used in this section and adopt guidelines for the purpose of achieving the goals stated in this section.

Section 2 - Application for Membership

All applicants for membership in NAPFA shall complete, sign and submit an application in a form and manner as required by the Board of Directors. The Membership Committee (hereinafter defined) shall monitor the application process and interpret and apply membership criteria as adopted by the Board of Directors.

Section 3 - Resignation, Suspension or Removal

All rights and privileges of Membership shall be terminated upon the resignation, suspension or removal of any Member pursuant to the policies and procedures of NAPFA as reviewed and applied by the Ethics Committee (defined hereunder). The termination of rights and privileges of Members shall be administered as defined by the NAPFA Policies and Procedures Manual.

## ARTICLE V

### DUES

#### Section 1 - Establishment of Dues

Annual membership dues shall be established by the Board of Directors and shall be binding on all Members. The Board of Directors shall have the right to change the dues from time to time and set differing rates for each category of Membership. All rights and privileges of Membership shall be terminated for non-payment of dues.

#### Section 2 - Refunds

Dues shall not be refunded to any Member whose Membership in NAPFA terminates for any reason.

ARTICLE VI  
BOARD OF DIRECTORS

Section 1 - Authority and Responsibility

The governing body of NAPFA is the Board of Directors. The Board of Directors will determine the policies of NAPFA and will actively pursue its objectives and supervise the receipt and the disbursement of dues, fees, and any other funds received. The Board of Directors will manage, supervise, control, and direct the affairs of NAPFA. The Board of Directors may delegate areas of its authority as it deems appropriate.

Section 2 - Composition

The Board of Directors shall consist of no less than six (6) nor more than twelve (12) Directors plus one (1) Chair of the Board of Directors and one (1) Consumer Representative Director.

The Board of Directors will determine the number of vacancies to be filled each year.

Section 3 – Eligibility

A NAPFA-Registered Financial Advisor in good standing and recommended by the Leadership Development Committee (LDC) (hereinafter defined) shall be eligible to be a member of the Board of Directors. As an appointee, the Consumer Representative Director does not need to meet any of the foregoing requirements.

Section 4 - Term of Office

The Board of Directors, the National Board Chair and the Consumer Representative Director shall commence their terms on the first day of the month of September.

Directors shall serve staggered three-year terms expiring upon the last day of August in the third year of their term, unless the Director resigns or is removed. A Director appointed to complete the unexpired term of a former Director shall serve the remainder of the former Director's term. A Director's term may be extended for up to two additional years if elected as National Board Chair-elect. A Director may not be re-appointed at the end of his/her term as there must be a two-year period between terms.

The National Board Chair shall serve a one-year term expiring upon the last day of the month of August in the year of his/her term, unless the National Board Chair resigns or is removed. A National Board Chair appointed to complete the unexpired term of a former National Board Chair shall serve the remainder of the former National Board Chair's term.

Upon appointment, the Consumer Representative Director shall serve a three-year term expiring

upon the last day of the month of August in the third year of his/her term, unless the Consumer Representative Director resigns or is removed. A Consumer Representative Director, who is appointed to complete an unexpired term or a term of less than three years, shall serve until the expiration of the term to which the former Consumer Representative Director was appointed. A Consumer Representative Director may be re-appointed for a consecutive three-year term at the expiration of his/her term on the Board.

#### Section 5 - Election

The Leadership Development Committee (LDC) shall deliver to the Board of Directors a slate of candidates sufficient to fill the vacancies on the National Board as determined by the Board of Directors, and may be asked to recommend the candidate for the Consumer Representative Director position, if vacant or expected to be vacant. Approval of the slate of Directors and the Consumer Representative Director shall be by majority vote of the Board of Directors. If the slate is not approved, the LDC has the responsibility to deliver a new slate of Board candidates for review until a slate is approved by the Board of Directors.

The National Board Chair shall be elected by a majority vote of the National Board of Directors.

#### Section 6 - Meetings of the Board

The Board of Directors shall meet in person no less than two (2) times during each year at such time and place as the Chair may prescribe. In addition, the Chair may convene additional meetings to be held either in-person, by conference call, or other electronic means. The Secretary (defined herein) shall provide written notice of all such meetings by mail (postal or electronic) to each member of the Board of Directors at their last known address in the records of the NAPFA's office not less than fifteen (15) days in advance of such meetings.

Special meetings of the Board of Directors, may be called by the Chair or at the request of any four (4) Directors, by notice mailed (postal or electronic) to each member of the Board of Directors at their last known address in the records of NAPFA's office not less than five (5) days before the meeting is to be held; however, such advance notice may be waived by two-thirds (2/3rds) vote of the Board of Directors so long as all Directors receive notice.

#### Section 7 - Quorum of the Board

At any meeting of the Board of Directors, a majority shall constitute a quorum for the transaction of business of NAPFA and any such business thus transacted shall be valid.

#### Section 8 - Voting

1. Voting rights of a Director shall not be delegated to another or exercised by proxy.
2. All Directors are voting members of the Board of Directors. Each Director has a single

- vote on each issue to be decided.
3. Unless otherwise provided herein, all actions require a majority of those present and voting to pass.
  4. Votes may be cast by Directors in-person by a show of hands, by voice-vote, or paper ballot, via conference call, or electronically (by electronic mail or other internet based method).
  5. The Secretary will record the results of all votes taken.

#### Section 9 - Resignation and/or Removal

A Director may resign at any time by giving written notice to the Chair or Secretary. Such resignation shall take effect at the time specified therein, or, if not specified, at the time of acceptance as determined by the Board of Directors.

The Board of Directors may, in its judgment and at its discretion, by an affirmative vote of two-thirds (2/3rds) of all Directors, remove any Director, Representative, or agent appointed by the Board of Directors when the best interests of the organization would be served.

#### Section 10 - Appointments to fill vacancies

An interim vacancy that occurs by reason of death, resignation, removal or otherwise of a Director or Consumer Representative Director may be filled through appointment by the vote of the remaining members of the Board of Directors.

#### Section 11 - Compensation

No member of the Board of Directors will receive compensation for their services as Director. The Board of Directors may authorize reimbursement of all or a portion of expenses, which are incurred by a Director in the performance of their duties.

ARTICLE VII  
OFFICERS

Section 1 - Officers

The officers of NAPFA shall consist of a Chair, a Chair-Elect, a Secretary-Treasurer, Immediate Past Chair and such other officers as the Board of Directors may from time to time elect. The Chair-Elect and Secretary-Treasurer shall be elected annually by a majority vote of the Board of Directors to serve in the position for the following Term year (defined herein).

Section 2 - Qualification for Office

Only current members of the Board of Directors shall be eligible for election to the officer positions of Chair, Chair-Elect, Secretary-Treasurer, or Immediate Past Chair.

Section 3 - Term of Office

Officers shall hold office for a term of one (1) year beginning the first day of the month of September and expiring upon the last day of the month of August of the following year (a “Term”), if not sooner terminated. The Chair-Elect automatically shall succeed to the office of Chair following the conclusion of his or her term in office.

Section 4 - Resignation and/or Removal

An Officer may resign at any time by giving written notice to the Chair or the Secretary. Such resignation shall take effect at the time specified therein, or if no time is specified, at the time of acceptance thereof as determined by the Board of Directors.

The Board of Directors may, in its discretion, by affirmative vote of two-thirds (2/3rds) of all Directors, remove any Officer. Resignation or Termination as an Officer does not terminate the individual’s term on the Board of Directors.

Section 5 - Vacancies

The Board of Directors, by majority vote, may fill the remaining term of an Officer should a vacancy occur.

Section 6 – Chief Executive Officer

The Board of Directors may employ a Chief Executive Officer who shall report to the Board of Directors at all Regular and Special meetings, and between meetings, to the Chair. The Chief Executive Officer shall have general and active supervision over the property, business and affairs of NAPFA and be primarily responsible for all day-to-day administrative matters. The Chief Executive Officer shall



perform other duties as assigned by the Chair or the Board of Directors. The Chief Executive Officer is not a Director but does attend all Board of Director and Membership Meetings.

ARTICLE VIII  
DUTIES OF OFFICERS

The Officers of NAPFA have the following duties, with all powers necessary for the performance thereof, and such other duties and powers as the Board of Directors may designate.

Section 1 - Chair

The Chair shall prepare the agenda and preside at all Board of Director and Membership Meetings. The Chair shall appoint committee chairs, task force liaisons, and other appointments as necessary, except as may be otherwise provided by these Bylaws and subject to approval by the Board of Directors. The Chair automatically shall succeed to the office of Immediate Past Chair following the conclusion of his or her term in office.

Section 2 – Chair-Elect

In the absence of the Chair, or in the event of his/her inability to act, the Chair-Elect shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair. The Chair-Elect shall perform such other duties as may be assigned by the Chair or the Board of Directors. The Chair-Elect shall succeed to the office of Chair upon expiration of the Chair's term of office, and in the event of the death, resignation, removal, or incapacity of the Chair.

Section 3 – Secretary-Treasurer

The Secretary-Treasurer shall serve as both the secretary and treasurer of NAPFA. As such, the Secretary-Treasurer shall keep minutes of the meetings of the Board of Directors in one or more books maintained for that purpose; shall see that all notices are duly given in accordance with applicable law, the Articles of Incorporation and these Bylaws; shall be custodian of the corporate records. The Secretary-Treasurer also shall be the principal accounting and financial officer of NAPFA and shall have charge of and be responsible for the maintenance of adequate books of account for NAPFA; shall have charge and custody of all funds and securities of NAPFA, and be responsible therefore, and for the receipt and disbursement thereof; shall deposit all funds and securities of NAPFA in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws, and in general, shall perform all duties customarily incident to the office of secretary and/or treasurer and such other duties as may be assigned from time to time by the Chair or the Board of Directors. The duties of the Secretary-Treasurer may be assigned by the Board of Directors in whole or in part to the Chief Executive Officer, or his or her designee(s).

Section 4 – Immediate Past Chair

The Immediate Past Chair shall serve as Board liaison to the Leadership Development Committee and have such duties as from time to time may be assigned by the Chair or the Board of Directors.

ARTICLE IX  
COMMITTEES

By a majority vote, the Board of Directors may determine not to convene a committee in any given year.

Section 1 – Membership Committee

The Membership Committee shall be chaired by a Director. The Chair shall appoint the Membership Committee Chair, as approved by the Board of Directors. The Membership Committee Chair shall appoint a committee whose members shall include, but are not limited to, the Region Membership Representatives and the NAPFA staff Membership Manager. Responsibilities of the Membership Committee include, but are not limited to, providing for the future of the organization through new member growth and reviewing membership issues that may arise. The Membership Committee shall perform such other duties as may be assigned by the Board of Directors, or tasks assigned by the Chair.

Section 2 – Ethics Committee

The Ethics Committee may be chaired by a Director. The Chair shall appoint the Ethics Committee Chair, as approved by the Board of Directors. The Ethics Committee Chair shall select the committee members. The duties of the Ethics Committee will be to review complaints related to breaches of NAPFA’s Code of Ethics and Standards of Membership. The Ethics Committee shall perform such other duties as may be assigned by the Board of Directors, or tasks assigned by the Chair.

Section 3 – Finance Committee

The Finance Committee shall be chaired by the Secretary-Treasurer and shall consist of the current Chair, the immediate past Secretary-Treasurer, one at-large member of the Board of Directors appointed by the Chair and confirmed by the Board, one NAPFA-Registered Financial Advisor appointed by the Secretary-Treasurer and confirmed by the Board. The Chief Executive Officer and a representative from the NAPFA finance and accounting department shall serve as ex officio members of the committee.

The Finance Committee shall:

- 1) Review the annual NAPFA budget for presentation to the Board of Directors for approval.
- 2) Review the financial statements, accounting policies, procedures periodically.
- 3) Review the composition and performance of the association’s investment portfolio, custodians, and investment advisors.
- 4) Make recommendations for Board approval regarding changes to the Investment Policy Statement (IPS) and investment portfolio.

- 5) Make recommendations for Board approval regarding the selection or termination of custodians and investment advisors for the association's investment portfolio.

The Finance Committee shall perform such other duties as may be assigned by the Board of Directors, or tasks assigned by the Chair.

#### Section 4 – Audit Committee

The Chair of the Board shall appoint the Chair and members of the Audit committee, as approved by the Board of Directors. The Audit Committee shall be comprised of one current member of the Board of Directors and two at-large members. Members of the audit committee shall have the financial competency to understand financial statements, evaluate CPA firms, and make sound financial decisions on behalf of NAPFA. Members of the Audit Committee are not compensated for their services.

The Committee is charged with assisting the Board in fulfilling its oversight responsibilities by reviewing the systems of internal controls that management and the Board of Directors have established and the audit process. It is responsible for reviewing the committee's charter and recommending modifications, as necessary, to the Board of Directors; ensuring that the auditing firm has the requisite skills and experience to carry out the auditing function for NAPFA; meeting with the auditor; reviewing the annual audit; and recommending the annual audit to the Board for discussion and acceptance.

#### Section 5 – Chair-Elect Nomination Committee

A Chair-Elect Nomination Committee will be formed annually to recommend to the Board of Directors the name(s) of one, or more, Directors willing to stand for election to the position of Chair-Elect for the immediately following Term year and serve as Chair in the subsequent Term year. The committee shall consist of the immediate past Chair, the current Chair and the Chief Executive Officer. Self-nominations will be accepted up to a deadline established by the Chair-Elect Nomination Committee and approved by the Board of Directors. The name(s) of the recommended Director(s) for the Chair-Elect position shall be circulated to the entire Board no later than 30 days prior to the meeting where the Chair-Elect will be subject to approval by vote of the Board of Directors.

#### Section 6 – Leadership Development Committee (LDC)

The Chair shall appoint the LDC Chair, as approved by the Board of Directors. The LDC Chair shall not be a current member of the Board of Directors or a candidate for a Board position. The LDC shall be comprised of 9 voting members and shall include four at-large members appointed by the

National Board and one representative for each Region in addition to the LDC Chair. The at-large members shall be selected by the National Board Chair and approved by the Board of Directors. The Chief Executive Officer shall be a non-voting member of the LDC. The LDC duties are to develop and oversee the process of collecting a qualified pool of applicants to serve on the National Board of Directors. The LDC shall carry out any other policies and procedures adopted by the Board of Directors, or tasks assigned by the Chair.

#### Section 7 – Other Committees and Task-forces

The Chair shall appoint other committees and/or task-forces and their chairs as necessary and shall assign the duties of any such committee and/or task-force, subject to approval of the Board of Directors. The purpose of other committees and/or task-forces should be stated in the Policy Manual, in an establishing charter, or by custom. Other committees may include but not be limited to the following.

- Compensation Committee
- Diversity, Equity & Inclusion Steering Committee
- Professional Development & Education Committee
- Public Policy Committee

#### Section 8 – Committee Appointments

Except as otherwise provided herein, committee members shall be selected through a collaborative process involving the committee chair and designated lead staff resource.

## ARTICLE X

### FINANCE

#### Section 1 - Fiscal Period

The fiscal year of NAPFA shall begin September 1 and end August 31.

#### Section 2 - Bonding

Trust or surety bonds may be furnished at the expense of NAPFA for the Officers, Directors, and such other persons as the Board of Directors shall direct.

#### Section 3 - Budget

The Board of Directors shall adopt an annual operating budget covering all projected activities of NAPFA for each fiscal year. The budget shall be prepared by the Secretary-Treasurer and submitted for approval by the Board of Directors.

#### Section 4 – Financial Review/Audit

At a minimum, the accounts of NAPFA shall require an annual Review by an independent Certified Public Accountant. A Review will have the same meaning as that generally accepted by the American Institute of Certified Public Accountants or such other CPA governing body. The independent Certified Public Accountant shall report to the Board of Directors.

In one of every five fiscal years, an Audit of NAPFA's accounts shall be conducted by an independent Certified Public Accountant. The independent Certified Public Accountant shall report to the Board of Directors.

ARTICLE XI  
DISSOLUTION

In the event of the dissolution of this corporation, and to the extent allowed under applicable law, all the assets of the corporation shall be distributed to, or its assets shall be sold and the proceeds distributed to, another not-for-profit exempt organization, per Section 501(c)(3) or 501(c)(6) of the Internal Revenue Code of 1954, which focuses on financial planning or consumer education. The selection of such exempt organization shall be done by the Board of Directors.

ARTICLE XII  
MEETINGS

Regular meetings of Members shall be called at least one (1) time per year. Notice of all such meetings of Members shall be sent by mail (postal or electronic) to each member at their last known address in the records of NAPFA not less than thirty (30) days in advance of such meetings.

ARTICLE XIII  
INDEMNIFICATION AND INSURANCE

The corporation shall indemnify all officers and Directors of the corporation to the full extent permitted by the non-profit laws of the State of Indiana as amended, and shall be entitled to purchase insurance for such indemnification of officers and Trustees to the full extent as determined from time to time by the Board of Directors of the corporation.



ARTICLE XIV

AMENDMENTS AND INTERPRETATION

Section 1 - Amendments

These Bylaws may be amended by a two-thirds (2/3rds) vote of the Board of Directors, notice of such proposed changes having been mailed (postal or electronic) to the Board of Directors at least thirty (30) days before such vote.

Section 2 - Interpretation

The use of any gender herein shall include all genders and these Bylaws shall be interpreted accordingly. The title "Chair" shall mean either "Chairman" or "Chairperson" and such person occupying this position may use either title.

These Bylaws will be interpreted and governed under the laws of the State of Indiana.

ARTICLE XV

MISCELLANEOUS

Section 1 - Adoption

NAPFA agrees to abide by these Bylaws and hereby adopts and incorporates such Bylaws.

Section 2 – Equal Opportunity

No person shall, on the basis of age, sex, race, color, religion, national origin, disability or handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity of NAPFA.