

# Investment Company Institute Certificate of Incorporation and By-Laws

Updated after member vote on December 9, 2016.

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# Certificate of Incorporation of Investment Company Institute

**FIRST:** The name of the corporation is INVESTMENT COMPANY INSTITUTE. The corporation is a not for profit corporation which is a successor to an unincorporated association of the same name.

**SECOND:** Its registered office in the State of Delaware is to be located at No. 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

**THIRD:** Subject to the limitations contained in Section 501(c)(6) of the Internal Revenue Code of 1954, as amended, or any successor statutes thereto, the objects and purposes of the corporation are to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware, including, but without limitation:

*To provide a medium through which the members of the corporation may be enabled to confer and consult with each other and to confer, consult and cooperate with governmental agencies, and to keep informed of developments, in connection with the promulgation and modification of administrative rules, regulations and interpretations under Federal and State and other laws regulating, taxing or otherwise affecting investment companies and the holders of their securities, investment advisers of investment companies and of others, and underwriters of the securities issued by investment companies, and in connection with the enactment and modification of such laws;*

*To provide facilities for the collection and dissemination of information relating to the investment company business in which members of the corporation have interests in common, for the discussion of problems in connection therewith and generally for the protection of the interests of investment companies, their shareholders as investors, their investment advisers, and their underwriters, to promote the growth of the investment company business and the greater acceptance of investment company securities among various classes of investors; to act as a medium for the encouragement of public understanding of the investment company business; and to act similarly in connection with other common investment advisory interests of its members;*

*To encourage adherence to high ethical standards by all elements of the investment company and investment advisory business to the end that the interests of the public will be served by the efforts and the activities of all members of the corporation; and*

*To do such other things as, in the judgment of the Board of Governors, are necessary, incidental or conducive to the attainment of the foregoing objects and purposes, or are reasonably within the spirit of the general objectives of mutual benefit sought to be accomplished by the corporation.*

**FOURTH:** The corporation shall not have authority to issue any shares of capital stock.

**FIFTH:** The names and places of residence of the incorporators are as follows:

Robert L. Augenblick  
4101 Cathedral Avenue, NW, Washington, DC 20016

C. Richard Pogue  
2010 Plymouth Street, NW, Washington, DC 20012

David Silver  
5505 Mohican Road, Bethesda, MD 20016

**SIXTH:** The corporation shall be organized into six divisions; namely, the open-end investment company division, the closed-end investment company division, the investment adviser division, the underwriter division, the unit investment trust division, and the global division. The members and associate members of the corporation shall consist respectively of the members, and associate members if any, of the six divisions. The qualifications for membership and associate membership in the six divisions shall be as set forth in the By-Laws of the corporation.

**SEVENTH:** Each member of the corporation shall be entitled to one vote with respect to matters affecting the division from which its membership derives, and one vote with respect to matters affecting the corporation as a whole, except that (i) each group of members deriving its membership from the investment adviser division, the members of which group are under common control, shall collectively be entitled to one vote with respect to matters affecting the investment adviser division, and one vote with respect to matters affecting the corporation as a whole, and (ii) each group of members deriving its membership from the underwriter division, the members of which group are under common control, shall collectively be entitled to one vote with respect to matters affecting the underwriter division, and one vote with respect to matters affecting the corporation as a whole. No member or group of members shall be entitled to any vote with respect to matters affecting only one division unless such division is the division from which its membership derives. A member or group of members may authorize another person or persons to act for it by proxy, but no proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period.

**EIGHTH:** Election of the Board of Governors need not be by written ballot. The qualifications for the Chairman and other members of the Board of Governors may be prescribed in the By-Laws of the corporation or in a resolution of the Board of Governors.

**NINTH:** Members of the Board of Governors, any divisional committee or the Executive Committee, may participate in a meeting of the Board of Governors or any such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute presence in person at such meeting. Any action required to be taken at a meeting of the Board of Governors, any divisional committee or the Executive Committee, or any action which may be taken at a meeting of the Board of Governors or any such committee, may be taken without a meeting and without prior notice if consents

in writing set forth the action so taken, or voice votes communicated by telephone or otherwise, or a combination of both, shall be obtained from Governors or committee members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Governors or committee members were present and voted. When deemed appropriate or expedient the Board of Governors may permit a member of the Board of Governors to designate an alternate to attend and to vote at a meeting or meetings of the Board of Governors in such member's place and stead.

**TENTH:** The activities of each division of the corporation shall be directed by a committee the members of which shall be those members of the Board of Governors who are officers, directors, partners or trustees of that division. Divisional committees shall be subject to the supervision and control of the Board of Governors. To the extent authorized by the Board of Governors, they may take such action as they deem appropriate to represent and to foster the interest of the members of their division, and may appoint such other committees at the divisional level as they deem necessary or advisable. The Board of Governors may appoint from its own members, or otherwise, an Executive Committee which, to the extent authorized by the Board of Governors, may exercise any and all of the powers of the Board of Governors between meetings of the Board of Governors. The Board of Governors may appoint from its own members, or otherwise, such other committees as it deems necessary or advisable and may fix the powers of any committee so appointed.

**ELEVENTH:** Unless inconsistent with law, any amendment to this Certificate of Incorporation shall require the approval of a majority of the votes entitled to be cast by the members or group of members of the corporation.

**TWELFTH:** The Certificate of Incorporation shall become effective upon its filing with the Secretary of the State of Delaware.

**THIRTEENTH:** The By-Laws of the corporation may be altered, amended or repealed by the vote of a majority of the votes entitled to be cast by the members or groups of members of the corporation. Except with respect to Article V of the By-Laws, the By-Laws also may be altered, amended or repealed by a vote of a majority of the entire Board of Governors.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this Certificate, hereby declaring and certifying that this is our act and deed and the facts herein stated are true, accordingly have hereunto set our hands this 10th day of June, 1976.

ROBERT L. AUGENBLICK

RICHARD POGUE

DAVID SILVER



# Investment Company Institute By-Laws

## **ARTICLE I—*Purposes and Definitions***

**SECTION 1.** The objects and purposes of the corporation are as follows:

- (a) To provide a medium through which the members of the corporation may be enabled to confer and consult with each other and to confer, consult and cooperate with governmental agencies, and to keep informed of developments, in connection with the promulgation and modification of administrative rules, regulations and interpretations under Federal and State and other laws regulating, taxing or otherwise affecting investment companies and the holders of their securities, investment advisers of investment companies and of others, and underwriters of the securities issued by investment companies, and in connection with the enactment and modification of such laws;
- (b) To provide facilities for the collection and dissemination of information relating to the investment company business in which members of the corporation have interests in common, for the discussion of problems in connection therewith and generally for the protection of the interests of investment companies, their shareholders as investors, their investment advisers, and their underwriters; to promote the growth of the investment company business and the greater acceptance of investment company securities among various classes of investors; to act as a medium for the encouragement of public understanding of the investment company business, and to act similarly in connection with other common investment advisory interests of its members;
- (c) To encourage adherence to high ethical standards by all elements of the investment company and investment advisory business to the end that the interests of the public will be served by the efforts and the activities of all members of the corporation; and
- (d) To do such other things as, in the judgment of the Board of Governors, are necessary, incidental or conducive to the attainment of the foregoing objects and purposes, or are reasonably within the spirit of the general objectives of mutual benefit sought to be accomplished by the corporation.

**SECTION 2.** For purposes of these By-Laws, the phrase “under substantially common management” is intended to include entities that are under substantially common management, ownership or sponsorship or that are otherwise part of a common enterprise. By way of illustration, management investment companies are deemed to be “under substantially common management” if they have the same sponsor or their sponsors are under substantially common management or ownership, or if they are organized as separate series of a trust that is registered under the Investment Company Act of 1940. Similarly, a management investment company sponsor and a unit investment trust sponsor are deemed to be “under substantially common management” if the two sponsors are under substantially common management or ownership.

**SECTION 3.** For purposes of these By-Laws, the term “regulated investment fund” means any collective investment vehicle that (1) primarily invests in securities, (2) is substantively regulated, (3) is eligible for public sale, and (4) meets such other eligibility criteria as the Board of Governors or the members of the corporation may establish from time to time.

## **ARTICLE II—Offices**

**SECTION 1.** The corporation may have offices at such places both within and without the State of Delaware as the Board of Governors may determine or as the affairs of the corporation may require from time to time.

## **ARTICLE III—Division and Members of the Corporation**

**SECTION 1.** The corporation shall be organized into six divisions; namely, the open-end investment company division, the closed-end investment company division, the investment adviser division, the underwriter division, the unit investment trust division, and the global division. The members and associate members of the corporation shall consist respectively of the members, and associate members if any, of the six divisions.

**SECTION 2. *Open-End Investment Company Division.*** Any management investment company of the open-end type registered as such under the Investment Company Act of 1940 is eligible for membership in the open-end investment company division of the corporation and may become a member by signifying an intention to do so on a form adopted by the Board of Governors and by agreement to be subject to the provisions of the Certificate of Incorporation and By-Laws of the corporation. Any management investment company of the open-end type registered as such under the Investment Company Act of 1940 which is organized under the laws of Canada or some other foreign nation, state or province and which does not maintain a place of business in the United States or its territories shall be eligible for associate membership in the open-end investment company division of the corporation and may in like manner become an associate member. Associate members shall have the same rights and be subject to all the provisions of the Certificate of Incorporation and By-Laws of the corporation in the same manner as members, except as otherwise provided in Article V hereof with respect to membership dues.

**SECTION 3. *Closed-End Investment Company Division.*** Any management investment company of the closed-end type registered as such under the Investment Company Act of 1940 is eligible for membership in the closed-end investment company division of the corporation and may become a member by signifying an intention to do so on a form adopted by the Board of Governors and by agreement to be subject to the provisions of the Certificate of Incorporation and By-Laws of the corporation. Any management investment company of the closed-end type registered as such under the Investment Company Act of 1940 which is organized under the laws of Canada or some other foreign nation, state, or province and which does not maintain a place of business in the United States or its territories shall be eligible for associate membership in the closed-end investment company division of the corporation and may in like manner become an associate member. Associate members shall have the same rights and be subject to all the provisions of the Certificate of Incorporation and By-Laws of the corporation in the same manner as members, except as otherwise provided in Article V hereof with respect to membership dues.



**SECTION 4. *Investment Adviser Division.*** Every entity which acts as investment adviser to a member investment company pursuant to a written contract with such company, and which does not sponsor any registered investment company which is not a member, is eligible for membership in the investment adviser division of the corporation, and may become a member by signifying an intention to do so on a form adopted by the Board of Governors and by agreeing to be subject to the provisions of the Certificate of Incorporation and By-Laws of the corporation.

**SECTION 5. *Underwriter Division.*** Every entity which acts as underwriter to a member investment company pursuant to written contract is eligible for membership in the underwriter division of the corporation, and may become a member by signifying an intention to do so on a form adopted by the Board of Governors and by agreeing to be subject to the provisions of the Certificate of Incorporation and By-Laws of the corporation.

**SECTION 6. *Unit Investment Trust Division.*** Any sponsor of a unit investment trust registered as such under the Investment Company Act of 1940 is eligible for membership in the unit investment trust division of the corporation and may become a member by signifying intention to do so on a form adopted by the Board of Governors and by agreeing to be subject to the provisions of the Certificate of Incorporation and By-Laws of the corporation.

**SECTION 7. *Global Division.*** Every entity which (1) acts as, or is under substantially common management with, the promoter, investment manager, investment adviser, trustee, authorized corporate director, management company, or equivalent sponsoring entity to a regulated investment fund organized outside of the United States, and (2) does not sponsor, and is not affiliated with the sponsor of, any U.S. registered management investment company that is not a member, is eligible for membership in the global division of the corporation, and may become a member by signifying an intention to do so on a form adopted by the Board of Governors and by agreeing to be subject to the provisions of the Certificate of Incorporation and By-Laws of the corporation.

**SECTION 8.** No management investment company which is one of a group of investment companies under substantially common management shall be a member of either the open-end or closed-end investment company division of the corporation unless all domestic management investment companies in such group are, or shall become, members of the appropriate division. No unit investment trust sponsor shall be a member of the unit investment trust division unless all domestic management investment companies sponsored by, or whose sponsor is under substantially common management with, the unit investment trust sponsor, are, or shall become, members of the appropriate division. Each such member company shall be severally entitled to all the rights and benefits of membership and shall be subject to all the provisions of the Certificate of Incorporation and By-Laws of the corporation in the same manner as all other members, except as otherwise provided in Article V with respect to membership dues.

**SECTION 9.** No management investment company shall be a member of either the open-end or closed-end investment company division of the corporation unless its investment adviser, if any, and, in the case of an open-end investment company, its underwriter, if any, are respectively members of the investment adviser and underwriter divisions of the corporation, provided that an investment adviser or underwriter which is not substantially engaged in the investment advisory, underwriting, or other securities business need not become a member; and further provided that the Board of Governors, in its discretion, may except any investment adviser or underwriter from this requirement. Where a member management company has

more than one investment adviser or underwriter, the Board of Governors may, in its discretion provide that only one of the investment advisers or underwriters, as the case may be shall be required to become a member. No management investment company shall be a member of either the open-end or closed-end investment company division of the corporation unless any entity that (1) is, or is under substantially common management with, the investment adviser of such management investment company, and (2) acts as promoter, investment manager, investment adviser, trustee, authorized corporate director, management company, or equivalent sponsoring entity to any regulated investment fund organized outside of the United States, is, or shall become, a member of the global division. Where more than one entity within a group of entities under substantially common management meets the criteria in clauses (1) and (2) of this section, the Board of Governors may, in its discretion provide that only one of such entities shall be required to become a member of the global division.

**SECTION 10.** The Board of Governors, by the vote of a majority of its members, may terminate the membership of any member which becomes ineligible for membership or may terminate the membership of any member which shall be in default in the payment of dues for the period fixed in Section 11 of Article V hereof.

**SECTION 11.** Any member may resign from the corporation at any time by filing a written resignation with the Secretary, but with respect to any member which files a resignation less than thirty (30) days prior to the beginning of any fiscal year of the corporation the obligation to pay dues for such fiscal year shall continue.

**SECTION 12.** Any member the membership of which has been terminated by the Board of Governors, or which resigns from the corporation shall cease to have any rights as a member of the corporation, including but not limited to rights in respect of any assets of the corporation, and shall not be entitled to recover any dues or other charges theretofore paid except as provided in Section 5 of Article V hereof.

**SECTION 13.** Upon written request filed with the Secretary, the Board of Governors, by the vote of a majority of its members, may reinstate a former member to membership upon such terms as the Board of Governors deems appropriate.

**SECTION 14.** Membership in the corporation shall not be transferable or assignable.

## **ARTICLE IV—*Business Standards of Members***

**SECTION 1.** There are sound ethical business principles and practices, subscription to which is necessary if there is to be maintained a high standard of conduct in the operation and management of investment companies, their investment advisers and their underwriters. The members of this corporation subscribe to these business principles and practices.

**SECTION 2.** The basic principle which should govern all officers, trustees, directors and employees of member companies of the corporation is that the functions of such companies should be carried on with fidelity to the interests of the security holders of investment companies and of the investing public generally. The performance of such functions should conform in all particulars to just and equitable principles of conduct in the administration and management of investment companies, their investment advisers and their underwriters.

**SECTION 3.** In amplification of the foregoing basic principle, the Board of Governors is authorized to propose from time to time, for the guidance of members of the corporation, guides for the application of this basic principle in specific aspects of the investment company and investment advisory business, which will be adopted as guiding principles endorsed by this corporation, upon approval by a majority of the members of the corporation, or by a majority of the members of the corporation which are members of the division concerned, as the case may be.

## **ARTICLE V—Dues**

### **OPEN-END INVESTMENT COMPANY MEMBERS**

**SECTION 1(A).** Except as otherwise provided in this article, dues shall be paid each fiscal year to the corporation with respect to each open-end investment company which is a member on the first day of the fiscal year, or with respect to a group of such companies under substantially common management in the amount determined below based on the average of the net assets of the open-end investment company member or group of open-end investment company members as of the end of the four fiscal quarters of the corporation (not including the most recent fiscal quarter ending September 30) last preceding the beginning of the fiscal year.

Where net assets do not exceed \$10 million...the sum of \$1,000.

Where net assets are greater than \$10 million, but do not exceed \$100 million...the sum of \$1,000 plus \$100 per million on the amount in excess of \$10 million.

Where net assets are greater than \$100 million, but do not exceed \$1,000 million...the sum of \$10,000 plus \$77.78 per million on the amount in excess of \$100 million.

Where net assets are greater than \$1,000 million, but do not exceed \$2,000 million...the sum of \$80,000 plus \$40 per million on the amount in excess of \$1,000 million.

Where net assets are greater than \$2,000 million, but do not exceed \$4,000 million...the sum of \$120,000 plus \$16 per million on the amount in excess of \$2,000 million.

Where net assets are greater than \$4,000 million, but do not exceed \$7,000 million...the sum of \$152,000 plus \$13.33 per million on the amount in excess of \$4,000 million.

Where net assets are greater than \$7,000 million, but do not exceed \$10,000 million...the sum of \$192,000 plus \$10 per million on the amount in excess of \$7,000 million.

Where net assets are greater than \$10,000 million, but do not exceed \$50,000 million...the sum of \$222,000 plus \$6 per million on the amount in excess of \$10,000 million.

Where net assets are greater than \$50,000 million, but do not exceed \$100,000 million...the sum of \$462,000 plus \$5.50 per million on the amount in excess of \$50,000 million.

Where net assets are greater than \$100,000 million, but do not exceed \$200,000 million...the sum of \$737,000 plus \$5 per million on the amount in excess of \$100,000 million.

Where net assets are greater than \$200,000 million, but do not exceed \$500,000 million...the sum of \$1,237,000 plus \$3 per million on the amount in excess of \$200,000 million.

Where net assets are greater than \$500,000 million, but do not exceed \$800,000 million...the sum of \$2,137,000 plus \$2 per million on the amount in excess of \$500,000 million.

Where net assets are greater than \$800,000 million, but do not exceed \$1,100,000 million...the sum of \$2,737,000 plus \$1 per million on the amount in excess of \$800,000 million.

Where net assets are greater than \$1,100,000 million, but do not exceed \$1,400,000 million...the sum of \$3,037,000 plus \$0.50 per million on the amount in excess of \$1,100,000 million.

Where net assets are greater than \$1,400,000 million, but do not exceed \$1,700,000 million...the sum of \$3,187,000 plus \$0.25 per million on the amount in excess of \$1,400,000 million.

Where net assets are greater than \$1,700,000 million...the sum of \$3,262,000 plus \$0.12 per million on the amount in excess of \$1,700,000 million.

**SECTION 1(B).** Except as hereinafter provided, in the event that an open-end investment company shall become a member or a group of such companies under substantially common management shall become members at any time subsequent to the first day of any fiscal year of the corporation, the dues with respect to such company or group for such fiscal year shall be determined in accordance with the schedule set forth in Section 1(a) of this Article, based on the net assets of such company or group as of the date of its membership application, multiplied by the number of whole months remaining in the fiscal year as of the date of its membership application, and divided by twelve (12). In the case of an open-end investment company created subsequent to the first day of the fiscal year of the corporation which is under substantially common management with a member investment company, no dues shall be required to be paid with respect to such company for such year.

**SECTION 2.** [Intentionally Omitted]

## **CLOSED-END INVESTMENT COMPANY MEMBERS**

**SECTION 3(A).** Except as otherwise provided in this Article, dues shall be paid each fiscal year to the corporation with respect to each closed-end investment company member which is a member on the first day of the fiscal year, or with respect to a group of such companies under substantially common management, in the amount determined below based on the average of the net assets of the closed-end investment company member or group of closed-end investment company members as of the end of the four fiscal quarters of the corporation (not including the most recent fiscal quarter ending September 30) last preceding the beginning of the fiscal year:

(i) The sum of

Where the net assets do not exceed \$25 million...\$250.

Where net assets are greater than \$25 million, but do not exceed \$50 million...\$500.

Where net assets are greater than \$50 million, but do not exceed \$100 million...\$1,000.

Where net assets are greater than \$100 million, but do not exceed \$200 million...\$2,000.

Where net assets are greater than \$200 million, but do not exceed \$300 million...\$3,000.

Where net assets are greater than \$300 million, but do not exceed \$400 million...\$4,000.

Where net assets are greater than \$400 million, but do not exceed \$500 million...\$5,000.

Where net assets are greater than \$500 million, but do not exceed \$600 million...\$6,000.

Where net assets are greater than \$600 million, but do not exceed \$700 million...\$7,000.

Where net assets are greater than \$700 million, but do not exceed \$800 million...\$8,000.

Where net assets are greater than \$800 million, but do not exceed \$900 million...\$9,000.

Where net assets are greater than \$900 million, but do not exceed \$1,000 million...\$10,000.

Where net assets are greater than \$1,000 million, but do not exceed \$1,250 million...\$11,000.

Where net assets are greater than \$1,250 million, but do not exceed \$1,500 million...\$12,000.

Where net assets are greater than \$1,500 million, but do not exceed \$2,000 million...\$13,000.

Where net assets are greater than \$2,000 million, but do not exceed \$3,000 million...\$14,000.

Where net assets are greater than \$3,000 million, but do not exceed \$4,000 million...\$15,000.

Where net assets are greater than \$4,000 million...\$16,000. And

(ii) Forty percent (40%) of the amount determined by subtracting (A) the total dues payable in accordance with the schedule set forth in Section 1(a) of this Article (prior to any pro rata reduction under Section 10 of this Article) with respect to the net assets of any open-end investment company or group of such companies under substantially common management with the closed-end investment company member or group of such members from (B) the total dues payable in accordance with the schedule set forth in Section 1(a) of this Article (prior to any pro rata reduction under Section 10 of this Article) with respect to the net assets of all open-end and closed-end investment company members under substantially common management. However, in no event shall there be paid to the corporation as dues for any fiscal year with respect to any closed-end investment company member or group of such members under substantially common management an amount in excess of ten percent (10%) of the aggregate dues payable with respect to the members of the closed-end investment company division for the fiscal year to which the dues pertain.

**SECTION 3(B).** Except as hereinafter provided, in the event that a closed-end investment company or group of such companies under substantially common management shall become members at any time subsequent to the first day of any fiscal year of the corporation, the dues with respect to such company or group for such fiscal year shall be determined in accordance with Section 3(a) of this Article based on the net assets of such company or group as of the date of its membership application, multiplied by the number of whole months remaining in such fiscal year and divided by twelve (12). In the event that a new closed-end investment company is created at any time subsequent to the first day of any fiscal year of the corporation so as to be under substantially common management with a group of investment companies which were members on such day, no dues shall be paid with respect to such company for such year.

## **UNIT INVESTMENT TRUST MEMBERS**

**SECTION 4(A).** Except as otherwise provided in this Article, dues shall be paid each fiscal year to the corporation with respect to each unit investment trust sponsor who is a member on the first day of the fiscal year in the amount determined below:

A fixed amount of \$25,000 per unit investment trust sponsor, plus

A variable amount equal to the sponsor's pro-rata portion of total unit investment trust deposits of all member sponsors, times \$125,000.

Provided, however, that if in a year the total dues paid by all unit investment trust sponsors based on the dues schedule adopted in 2003 and reprinted below would exceed \$272,000, then the total variable amount of dues paid by all unit investment trust sponsors shall be equal to \$125,000 plus the amount by which total dues of all sponsors computed using the 2003 schedule exceeds \$272,000.

2003 Unit Investment Trust Dues Schedule: Where total deposits do not exceed \$1,000 million...the sum of \$25,000.

Where the total deposits are greater than \$1,000 million, but do not exceed \$1,500 million...the sum of \$25,000 plus \$25.00 per million on the amount in excess of \$1,000 million.

Where the total deposits are greater than \$1,500 million, but do not exceed \$2,000 million...the sum of \$37,500 plus \$15.00 per million on the amount in excess of \$1,500 million.

Where the total deposits are greater than \$2,000 million, but do not exceed \$4,000 million...the sum of \$45,000 plus \$10.00 per million on the amount in excess of \$2,000 million.

Where the total deposits are greater than \$4,000 million, but do not exceed \$6,000 million...the sum of \$65,000 plus \$9.00 per million on the amount in excess of \$4,000 million.

Where the total deposits are greater than \$6,000 million, but do not exceed \$8,000 million...the sum of \$83,000 plus \$8.00 per million on the amount in excess of \$6,000 million.

Where the total deposits are greater than \$8,000 million, but do not exceed \$10,000 million...the sum of \$99,000 plus \$7.00 per million on the amount in excess of \$8,000 million.

Where the total deposits are greater than \$10,000 million, but do not exceed \$15,000 million...the sum of \$113,000 plus \$6.00 per million on the amount in excess of \$10,000 million.

Where the total deposits are greater than \$15,000 million, but do not exceed \$20,000 million...the sum of \$143,000 plus \$5.00 per million on the amount in excess of \$15,000 million.

Where the total deposits are greater than \$20,000 million...the sum of \$168,000 plus \$4.00 per million on the amount in excess of \$20,000 million.

Trustee banks to unit investment trusts that are sponsored by members of the Institute may participate as non-members in Unit Investment Trust Division activities. If a trustee bank chooses to participate, it will be assessed dues in the amount of \$25,000 per fiscal year.

If the total dues received by the Corporation pursuant to the dues schedule above results in an amount less than \$200,000, then each unit investment trust sponsor's dues to be paid pursuant to this Section 4(a) shall be increased by a percentage determined by a fraction: (i) the numerator of which is the number represented by the difference between \$200,000 less the total dues received from non-members; and

(ii) the denominator of which is the total dues to be paid by all the unit investment trust sponsors as determined in accordance with the schedule above.

**SECTION 4(B).** In the event that a unit investment trust sponsor shall become a member at any time subsequent to the first day of any fiscal year of the Corporation, the dues with respect to such sponsor-member for such fiscal year shall be determined in accordance with the schedule set forth in Section 4(a) of this Article, based on the total unit investment trust deposits of such sponsor during the calendar year preceding the date of its membership application, multiplied by the number of whole months remaining in the fiscal year as of the date of its membership application, and divided by twelve (12).

## **GLOBAL MEMBERS**

**SECTION 5(A).** Except as otherwise provided in this Article, dues shall be paid each fiscal year to the corporation with respect to each entity which is a member on the first day of the fiscal year in an amount determined based on the average of the regulated investment fund assets managed outside of the United States of such entity as of the end of the four fiscal quarters of the corporation (not including the most recent fiscal quarter ending September 30) last preceding the beginning of the fiscal year and fixed annually by the Board of Governors after taking into account the needs of the division and the corporation and with due consideration to the desirability of establishing reasonable reserves.

**SECTION 5(B).** In the event that an entity shall become a member at any time subsequent to the first day of any fiscal year of the corporation, the dues with respect to such member for such fiscal year shall be determined in accordance with the schedule set forth in Section 5(a) of this Article, based on the regulated investment fund assets managed outside of the United States of such entity as of the date of its membership application, multiplied by the number of whole months remaining in the fiscal year as of the date of the entity's membership application, and divided by twelve (12).

## **GENERAL**

**SECTION 6.** In the event that during any fiscal year of the corporation the assets of one member investment company or group of member investment companies under substantially common management are acquired by another member investment company or group, through merger, acquisition of assets or otherwise, the dues with respect to such merger or acquired company or group for such year shall be prorated, with the merged or acquired company or group being responsible for the payment of dues for the period prior to the merger or acquisition date, and the surviving company or group being responsible for the payment of the remainder.

Notwithstanding any provision of this section, the aggregate dues of the member investment companies or groups of member investment companies involved in a merger or acquisition as computed in accordance with Article V, shall not change for the fiscal year of the corporation during which the merger or acquisition took place as a result of any such merger or acquisition.

**SECTION 7.** In the event of an acquisition of assets, merger consolidation or other similar situation, not specifically covered by the foregoing Sections in this Article, the Board of Governors shall determine any

question with respect to dues in any such case in conformity with the principles set forth in the foregoing Sections of this Article.

**SECTION 8.** No investment company member or group of investment company members under substantially common management shall pay dues in an amount in excess of five percent (5%) of the budget adopted by the Board of Governors for the fiscal year to which the dues pertain.

**SECTION 9.** For purposes of determining dues pursuant to this Article, in the case of an associate member, its net assets shall be deemed to be one half of its actual net assets.

**SECTION 10.** For purposes of determining dues pursuant to this Article, in the case of any group of investment company members under substantially common management its net assets shall be deemed to exclude all intercompany security holdings.

**SECTION 11.** The Board of Governors shall have the power to reduce pro rata the amount of dues payable with respect to the members of any division for any fiscal year, whenever it appears that the above rates will produce revenue in excess of the needs of the division or the corporation after giving due consideration to the desirability of establishing reasonable reserves. The Board of Governors shall have the power to grant an additional pro rata reduction of up to five (5%) percent in dues payable for any fiscal year with respect to member groups whose assets upon which dues are computed under Section 1(a) of this Article do not exceed \$100 million. All such pro rata reductions shall be deducted from dues payable. Dues shall be payable upon receipt of a dues notice from the corporation and the availability of any special percentage reduction shall be determined as of the first day of the fiscal year of the corporation to which the dues notice pertains.

Notwithstanding any provision of this Section, if the amount of dues, as computed in accordance with Article V, for any member investment company or group of investment companies under substantially common management is less than \$1,000 after application of the pro-rata reduction described above, then the dues for such member investment company or group of investment companies shall be increased to \$1,000.

**SECTION 12.** When any member shall be in default in the payment of dues for a period of six (6) months from the time when such dues become payable, its membership may thereupon be terminated by the Board of Governors in the manner provided in Article III hereof.

**SECTION 13.** The dues which may be charged by the corporation shall be limited to dues fixed in accordance with this Article. Neither the Board of Governors nor any committee, nor any officer or employee nor any member of the corporation, shall have the authority or power, as agent of the corporation or of the members thereof, or otherwise, to subject any member of the corporation to any charges in the nature of dues or assessment other than for the payment of dues so fixed.

**SECTION 14.** For purposes of this Article, the term “net assets” shall mean the total net assets of an investment company computed in accordance with the method followed by it in determining its net asset value, except that for the purpose of determining the average of the net assets of a member investment company or group under Section 1(a) of this Article, the net assets of such company or group as of the end of each quarter shall include the net assets at that time of any investment company whose assets were



acquired by such member investment company or group at any time during the twelve-month period prior to the first day of the fiscal year for which dues are being computed.

**SECTION 15.** For purposes of Section 5 of this Article, the term “regulated investment fund assets managed outside of the United States” shall mean the total net assets of regulated investment funds organized outside of the United States as to which the member acts as promoter, investment manager, investment adviser, trustee, authorized corporate director, management company, or equivalent sponsoring entity, computed in accordance with the method(s) the funds follow in determining their net asset values, except that for the purpose of determining the average of the regulated investment fund assets managed outside of the United States of a member entity under Section 5(a) of this Article, the regulated investment fund assets managed outside of the United States of such member entity as of the end of each quarter shall include the net assets of any investment fund whose assets were acquired by any regulated investment fund organized outside of the United States as to which the member acts as promoter, investment manager, investment adviser, trustee, authorized corporate director, management company, or equivalent sponsoring entity at any time during the twelve-month period prior to the first day of the fiscal year for which dues are being computed.

## **ARTICLE VI—*Meeting and Action of Members***

**SECTION 1.** An annual meeting of the members shall be held on a date designated by the Board of Governors, for the purpose of electing Governors and for the transaction of such other business as may come before the meeting. If the election of Governors shall not be held on the day designated by the Governors for the annual meeting, the Board of Governors shall cause the election to be held as soon thereafter as convenient. Elections of the Board of Governors need not be by written ballot.

**SECTION 2.** Special meetings of the members may be called by the Board of Governors or not less than one-tenth (1/10) of the members.

**SECTION 3.** The Board of Governors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the Board of Governors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be at the principal office of the corporation.

**SECTION 4.** The Chairman of the Board of Governors, Vice-Chairman, or such person as the Chairman or Vice-Chairman may designate, shall preside at all meetings of the members.

**SECTION 5.** Written notice stating the place, day and hour of any meeting of members shall be given either personally, by mail, or electronically to each member or group of members entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting by the President or the Secretary, or the persons calling the meeting. In case of a special meeting, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be given when deposited in the United States mail addressed to the member or group of members at its address as it appears on the records of the corporation, with postage thereon prepaid. If sent electronically, the notice of a meeting shall be deemed to be given when sent.

**SECTION 6.** Any action required to be taken at a meeting of the members, or any action which may be taken at any meeting of the members, may be taken without a meeting, without prior notice and without a vote, if consents in writing setting forth the action so taken, shall be signed by members or groups of members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all the members or groups of members entitled to vote thereon were present and voted. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to those members or groups of members entitled to vote thereon which have not consented in writing.

**SECTION 7.** At any meeting a quorum for the transaction of any item of business shall consist of a majority of the votes entitled to be cast in respect of such item of business, present in person or present by proxy, unless otherwise provided by law, the Certificate of Incorporation or these By-Laws. If a quorum is not present, a majority of the members or groups of members entitled to vote which are present may adjourn the meeting from time to time without notice.

**SECTION 8.** At any meeting at which a quorum is present for the transaction of any item of business, a majority of the votes entitled to be cast in respect of such item of business, present in person or represented by proxy, shall decide such item of business, unless otherwise provided by law, the Certificate of Incorporation or these By-Laws.

**SECTION 9.** Each member of the corporation shall be entitled to one vote with respect to matters affecting the division from which its membership derives, and one vote with respect to matters affecting the corporation as a whole except that (i) each group of members deriving its membership from the investment adviser division, the members of which group are under common control, shall collectively be entitled to one vote with respect to matters affecting the investment adviser division, and one vote with respect to matters affecting the corporation as a whole, and (ii) each group of members deriving its membership from the underwriter division, the members of which group are under common control, shall collectively be entitled to one vote with respect to matters affecting the underwriter division, and one vote with respect to matters affecting the corporation as a whole. No member or group of members shall be entitled to any vote with respect to matters affecting only one division unless such division is the division from which its membership derives. A member or group of members may authorize another person or persons to act for it by proxy, but no proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period.

Notwithstanding any provision of this Section, if the number of votes that a group of member investment companies under substantially common management, together with their investment adviser and principal underwriter, are entitled to vote is equal to or are greater than 5% of the total number of votes entitled to vote, then the number of votes such group of investment companies, together with their investment adviser and principal underwriter, shall be entitled to vote shall be limited to one vote less than 5% of the total number of votes.

**SECTION 10.** All matters to be acted upon shall be deemed to affect the corporation as a whole unless the Board of Governors shall determine that a matter to be acted upon affects only one division.

**SECTION 11.** With respect to matters, other than membership dues, affecting any division or the corporation as a whole, the Board of Governors shall determine the manner in which action of members is to be taken and the procedure to be followed.

**SECTION 12.** Action by the Board of Governors of the corporation, or any divisional or other committee of the corporation, or the members of the corporation, shall not preclude individual members of the corporation from taking action with respect to the subject matter of the action.

## **ARTICLE VII—*Board of Governors***

**SECTION 1.** The management and administration of the affairs of the corporation shall be vested in a Board of Governors which shall have all the powers necessary for, or incidental to, such management and administration and the promotion of the objects and purposes of the corporation. The Board of Governors shall adopt a budget for each fiscal year.

**SECTION 2.** The Board of Governors shall be composed of forty-six (46) members, forty-five (45) of whom shall be elected by the members of the corporation. The immediate past Chairman of the Board of Governors of the corporation shall serve as the forty-sixth Governor. All Governors shall be officers, directors, partners or trustees of members of the corporation. The Board of Governors may from time to time prescribe qualifications for its members, in addition to those set forth in this Article, so that the Board is reflective of the members of the corporation. The Governors, other than the immediate past Chairman of the Board of Governors, shall be divided into three (3) classes, each class to consist of fifteen (15) Governors. At each annual meeting, fifteen (15) Governors shall be elected for a term of three (3) years. Each Governor elected by the members of the corporation shall hold office until his successor is elected and qualified. The immediate past Chairman of the Board of Governors shall hold office during the term(s) of his successor as Chairman.

**SECTION 3.** The Board of Governors shall elect from its members a Chairman. The Board of Governors may prescribe qualifications for the Chairman. The Chairman shall be an ex-officio member of all Committees of the Board.

**SECTION 4.** Any Governor may resign at any time upon written notice to the corporation. Vacancies and other changes in membership of the Board of Governors may be filled by a majority of the Governors in office, though less than a quorum. Any Governor chosen to fill a vacancy shall hold office for the unexpired term of his predecessor in office.

## **ARTICLE VIII—*Meetings and Action of Board of Governors***

**SECTION 1.** A regular meeting of the Board of Governors shall be held after the annual meeting of members and prior to October 30 of each year, at such place as may be designated by the Board of Governors. If no designation is made, the place of meeting shall be at the principal offices of the corporation. The Board of Governors may provide by resolution the time and place, either within or without the State of Delaware, for the holding of additional regular meetings of the Board of Governors without other notice than such resolution.

**SECTION 2.** Special meetings of the Board of Governors may be called by the Chairman or at the request of any five (5) Governors. The Board of Governors may designate any place, either within or without the State of Delaware, as the place of meeting for any special meeting of the Board of Governors.

**SECTION 3.** Written notice of any special meeting of the Board of Governors shall be given, either personally, by mail, or electronically, to each Governor, at least one (1) day before the date of such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the Governor at his address as it appears on the records of the corporation. If sent electronically, notice shall be deemed to be given when sent.

**SECTION 4.** Members of the Board of Governors may participate in a meeting of the Board of Governors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting.

**SECTION 5.** Any action required to be taken at a meeting of the Board of Governors, or any action which may be taken at a meeting of the Board of Governors, may be taken without a meeting and without prior notice if consents in writing setting forth the action so taken shall be obtained from all Governors.

**SECTION 6.** When deemed appropriate or expedient, the Board of Governors may permit a member of the Board of Governors to designate an alternate to attend and to vote at a meeting or meetings of the Board of Governors in such member's place and stead.

**SECTION 7.** At any meeting of the Board of Governors a quorum for the transaction of any item of business shall consist of two-fifths of the total number of members of the Board of Governors, unless otherwise provided by law, the Certificate of Incorporation or these By-Laws.

**SECTION 8.** At any meeting of the Board of Governors at which a quorum is present for the transaction of any item of business, a majority of the Governors present shall decide such item of business, unless otherwise provided by law, the Certificate of Incorporation or these By-Laws.

## **ARTICLE IX—Committees**

**SECTION 1.** The activities of the corporation may be carried out by committees, which may include Committees of the Board, divisional and standing committees of members, the Independent Directors Council and other bodies, as authorized by the Board of Governors (collectively, "Committees").

**SECTION 2.** Divisional committees may be composed of representatives of the respective divisions, subject to approval by the Board of Governors. To the extent authorized by the Board of Governors, they may take such action as they deem appropriate, consistent with the purposes of the corporation and within the jurisdiction of the respective division.

**SECTION 3.** The Board of Governors may appoint from its members, or otherwise, an Executive Committee, which, to the extent authorized by the Board of Governors, may exercise any and all of the powers of the Board of Governors between meetings of the Board of Governors. The Board of Governors also may appoint from its own members, or otherwise, such additional Committees of the Board as it deems necessary or advisable, and may fix the powers of any committee so appointed.

**SECTION 4.** Members of any Committee of the Board may participate in a meeting of any such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting.

**SECTION 5.** Any action required to be taken at a meeting of any Committee of the Board, or any action which may be taken at a meeting of any such committee, may be taken without a meeting and without prior notice if consents in writing setting forth the action so taken shall be obtained from all such committee members.

**SECTION 6.** At any meeting of any Committee of the Board, a quorum for the transaction of any item of business shall consist of two-fifths of the total number of committee members, unless otherwise provided by law, the Certificate of Incorporation or these By-Laws.

**SECTION 7.** At any meeting of any Committee of the Board at which a quorum is present for the transaction of any item of business, a majority of the committee members present shall decide such item of business, unless otherwise provided by law, the Certificate of Incorporation or these By-Laws.

**SECTION 8.** The policies and procedures for management of Committees not otherwise provided for in these By-Laws may be established by the Board of Governors, or development of such policies and procedures may be delegated by the Board. Staff of the corporation shall monitor and manage all Committees as authorized by the Board.

## **ARTICLE X—*Compensation of Governors and Committee Members***

**SECTION 1.** No member of the Board of Governors and no divisional or other committee member shall receive any compensation for his services as such, but, if approved by the Board of Governors, each person may receive reimbursement for reasonable out-of-pocket expenses incurred in connection with the work of the corporation.

## **ARTICLE XI—*Associate Persons***

**SECTION 1.** By resolution adopted by the Board of Governors and approved by the members of the corporation, other persons concerned with providing services to investment companies, the distribution of investment company shares or the rendering of investment advice to investment companies or others, may become associated with the corporation with respect to matters of common interest and the facilities of the corporation may be made available to such organizations. The amounts to be paid to the corporation with respect to the association of such persons shall be determined by the Board of Governors after consultation with the persons concerned.

**SECTION 2.** Any investment company that is organized under the laws of a foreign nation, state or province and that meets such other criteria as the Board of Governors may establish may become associated with the corporation with respect to matters of common interest and the facilities of the corporation may be made available to such investment companies. No foreign investment company that is one of a group of investment companies shall be an Associate Person under this Section unless all foreign investment companies in such group shall become Associate Persons. The amounts to be paid the corporation with respect to the association of such persons shall be determined by the Board of Governors.

## **ARTICLE XII—Officers and Employees**

**SECTION 1.** The officers of the corporation shall be a President, General Counsel, Secretary and Treasurer and such other officers as the Board of Governors deems necessary or desirable. The authority and duties of officers, including those specifically mentioned above, may be prescribed by the Board of Governors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

**SECTION 2.** The Board of Governors also may employ, or authorize the employment of, such other persons as it deems necessary or desirable to carry on the work of the corporation, and it shall have the power to fix the compensation of such persons, and to provide such benefits to such persons as it deems desirable.

**SECTION 3.** The Board of Governors may retain such legal counsel for the corporation as it deems necessary or advisable.

**SECTION 4.** The officers of the corporation shall be elected by the Board of Governors to serve until the next annual meeting of the Board of Governors or until such time as may be determined by the Board of Governors by resolution. New offices may be created and filled at any meeting of the Board of Governors. Each officer shall hold office until his successor shall have been duly elected and qualified.

**SECTION 5.** Any officer elected or appointed by the Board of Governors may be removed by the Board of Governors whenever in its best judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

**SECTION 6.** Any officer may resign at any time upon written notice to the corporation. Any vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Governors for the unexpired portion of the term.

## **ARTICLE XIII—Contracts, Checks, Deposits and Funds**

**SECTION 1.** The Board of Governors may authorize any officer or officers, agent or agents of the corporation, to enter into any contract or execute or 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.** All checks, drafts or orders 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, agents or agents of the corporation and in such manner as the Board of Governors may designate from time to time.

**SECTION 3.** All funds of the corporation shall be deposited from time to time in such depositories, including but not limited to bank and trust companies, or invested in such obligations, including but not limited to Treasury Bills, bank certificates of deposit and commercial paper, as the Board of Governors may determine.

## **ARTICLE XIV—Indemnification of Officers, Directors, Employees and Agents**

**SECTION 1.** The corporation shall indemnify Governors, officers and other authorized employees or agents of the corporation against claims for liability arising in connection with their positions or activities on behalf of the corporation to the full extent permitted by law.

## **ARTICLE XV—Fiscal Year**

**SECTION 1.** The fiscal year of the corporation shall begin on the first day of October, and end on the last day of September.

## **ARTICLE XVI—Financial Statements**

**SECTION 1.** The Board of Governors shall periodically send or cause to be sent, to each member, reasonably itemized statements or receipts and disbursements of the corporation.

## **ARTICLE XVII—Seal**

**SECTION 1.** The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words, “Corporate Seal, Delaware.” The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

## **ARTICLE XVIII—Waiver of Notice**

**SECTION 1.** Whenever any notice is required to be given pursuant to law, the Certificate of Incorporation or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting of members, Governors or members of a committee, shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the members, Governors or members of a committee need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these By-Laws.

## **ARTICLE XIX—Amendments to By-Laws**

**SECTION 1.** These By-Laws may be altered, amended or repealed by the vote of a majority of the votes entitled to be cast by the members or groups of members of the corporation. Except with respect to Article V of the By-Laws, these By-Laws also may be altered, amended or repealed by vote of a majority of the entire Board of Governors.

