

# Election Notice

## Special Election to Fill a FINRA Large Firm Governor Vacancy

Petitions for Candidacy Due: September 23, 2022

### Summary

FINRA will conduct a special meeting of large firm members on or about October 31, 2022, to elect one individual to fill a vacant Large Firm Governor seat on the FINRA Board of Governors (FINRA Board).<sup>1</sup> A formal notice of the special meeting, including the precise date, time and location, will be mailed to executive representatives on or about October 10, 2022.

The purpose of this *Election Notice* is to announce the FINRA Nominating & Governance Committee (Nominating Committee) nominee, and to inform individuals not nominated by the Nominating Committee of the procedures for being included as a petition candidate on the ballot for this election.

Questions regarding this *Election Notice* may be directed to Marcia E. Asquith, Executive Vice President and Corporate Secretary, or Jennifer Piorko Mitchell, Vice President and Deputy Corporate Secretary, at [Corporate.Secretary@finra.org](mailto:Corporate.Secretary@finra.org) or (202) 728-8949.

**Note:** FINRA distributed this *Notice* electronically to the executive representative of each FINRA firm and posted it online at [www.finra.org/Notices/Election/080922](http://www.finra.org/Notices/Election/080922).

Executive representatives should circulate this *Notice* to their firms' branch managers.

### Composition of the Board

FINRA's Board is currently composed of 22 industry and public members, with 10 seats designated for industry members, 11 seats designated for public members and one seat reserved for FINRA's Chief Executive Officer.<sup>2</sup>

August 9, 2022

### Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

The 10 industry members consist of the following seats:

- ▶ one Floor Member Governor;
- ▶ one Independent Dealer/Insurance Affiliate Governor;
- ▶ one Investment Company Affiliate Governor;
- ▶ three Small Firm Governors;
- ▶ one Mid-Size Firm Governor; and
- ▶ three Large Firm Governors.

Of the Board members, the following seats are appointed by the FINRA Board from candidates recommended by the Nominating Committee: Public Governors, Floor Member Governor, Independent Dealer/Insurance Affiliate Governor, and Investment Company Affiliate Governor (Appointed Governors).

The Nominating Committee also may nominate individuals to run for election for the seven elected governor seats that comprise the three Small Firm Governors, one Mid-Size Firm Governor and three Large Firm Governors (Elected Governors). To be eligible to serve, each Small Firm Governor must be registered with a small firm, the Mid-Size Firm Governor must be registered with a mid-size firm, and each Large Firm Governor must be registered with a large firm. Firm sizes are defined as follows:

- ▶ a large firm employs at least 500 registered persons;<sup>3</sup>
- ▶ a mid-size firm employs between 151 and 499 registered persons;<sup>4</sup> and
- ▶ a small firm employs between one and 150 registered persons.<sup>5</sup>

### **FINRA Nominating Committee Nominee**

FINRA's Nominating Committee nominated Penny Pennington, Managing Partner at Edward Jones, to fill the Large Firm Governor vacancy on the FINRA Board.<sup>6</sup>

Ms. Pennington's biographical profile is attached.

### **Petition Process for Additional Candidates**

A person who has not been nominated by the Nominating Committee for election to the FINRA Board may be included on the ballot for the election of governors if:<sup>7</sup>

- a. within 45 days after the date of this *Election Notice* (September 23, 2022), such person presents to FINRA's Corporate Secretary petitions in support of his or her nomination, duly executed by at least 3 percent of FINRA member firms entitled to vote for such nominee's election. If, however, an individual's name appears on a petition in support of more than one nominee, the petition must be endorsed by 10 percent of FINRA member firms entitled to vote for such nominees' election; and

- b. the Corporate Secretary certifies that such petitions have been duly executed by the executive representatives of the requisite number of FINRA member firms entitled to vote for such person's election, and the person being nominated satisfies the classification of the governorship to be filled.

The number of FINRA large firms as of close of business on August 8, 2022, was 164, and the requisite number of petitions from large firms required to meet the above-referenced threshold is five.

Large firms may only endorse one petitioner for the seat. No firm may endorse more than one such petitioner.

Individuals interested in petitioning to become candidates should contact the Corporate Secretary's office at [Corporate.Secretary@finra.org](mailto:Corporate.Secretary@finra.org). An individual must submit sufficient information to determine the person's status with respect to the category for which he or she is petitioning to be nominated. Individuals seeking nomination for election as a Large Firm Governor have an obligation to satisfy the firm-size classification on the date the petition is circulated, the date the petitions are certified by FINRA's Corporate Secretary and the date of the special meeting. Individuals who fail to meet this requirement will be disqualified from election. Petitioners must also provide information sufficient for the Corporate Secretary to determine that the petitions are duly executed by the executive representatives of the requisite number of large firms. In addition, to assist in the process of verifying petitions, FINRA requests that all petitions submitted be dated by their signatory. **Petitions must be submitted no later than September 23, 2022.**

The names of persons obtaining the requisite number of valid petitions will be included along with the FINRA nominee on the proxy mailed to eligible large firms in advance of the special meeting.

### Term of Office

The elected individual will complete a term scheduled to conclude at FINRA's 2025 annual meeting, or until his or her successor is duly elected or qualified, or until death, resignation, disqualification or removal.<sup>8</sup> In addition, a governor's term of office shall terminate immediately upon a determination by the Board, by a majority vote of the remaining governors, that the governor no longer satisfies the classification for which the governor was elected.<sup>9</sup>

### Voting Eligibility

FINRA firms are eligible to vote for the nominees who are running for seats that are in the same size category as their own firm. Therefore, only large firms may vote for the candidates running in this election. A proxy will be mailed, along with notice of the special meeting, to the executive representative of record at each eligible FINRA large firm prior to the meeting.

## Attachment A: Profile of FINRA Large Firm Governor Nominee

### Penelope (Penny) Pennington

#### Edward Jones – Managing Partner

Penny Pennington is the managing partner of Edward Jones, a Fortune 500 financial services firm. As sixth managing partner in the firm's 100-year history, Penny is responsible for the firm's strategic direction, leading the firm's Enterprise Leadership Team and working together with more than 50,000 associates across North America to make a positive impact in the lives of Edward Jones' clients, colleagues and communities. She was recently named No. 34 in her third appearance on the Fortune Most Powerful Women in Business list.

Penny began her Edward Jones career in 2000 as a financial advisor in Livonia, Mich. In 2006, she was named a principal and relocated to the firm's St. Louis headquarters where she held various leadership roles.

Penny earned a bachelor's degree in commerce with a concentration in finance from the University of Virginia and an MBA from Kellogg School of Management at Northwestern University. She is a graduate of Wharton's Securities Industry Institute and is a CFA charter holder.

She is an active member of the St. Louis community, serving on the boards of the Federal Reserve Bank of St. Louis, United Way of Greater St. Louis, the Donald Danforth Plant Science Center, Washington University in St. Louis Board of Trustees, the Whitaker Foundation and Executive Committee of the Chair's Council for Greater St. Louis, Inc. Penny also actively champions Edward Jones' national presenting sponsorship with the Alzheimer's Association.

## Endnotes

1. This election will fill the Large Firm Governor seat on the Board vacated by Christopher W. Flint upon his resignation, effective June 1, 2022.
2. See Article VII, Section 4(a) of the FINRA By-Laws.
3. See Article I (y) of the FINRA By-Laws.
4. See Article I (cc) of the FINRA By-Laws.
5. See Article I (ww) of the FINRA By-Laws.
6. See Article VII, Section 9 of the FINRA By-Laws.
7. See Article VII, Section 10 of the FINRA By-Laws.
8. See Article VII, Section 5 of the FINRA By-Laws. Governors generally may not serve more than two consecutive terms. However, if a governor is elected or appointed to fill a vacancy for a term of less than one year, the governor may serve up to two consecutive terms following the expiration of the governor's initial term.
9. See Article VII, Section 6 of the FINRA By-Laws.