

# Election Notice

## Upcoming FINRA Board of Governors Election

**Petitions for Candidacy Due: August 5, 2016**

### Executive Summary

The annual meeting of FINRA firms will take place on or about Monday, September 19, 2016, to elect one Small Firm Governor, and one Large Firm Governor to the FINRA Board of Governors (FINRA Board)<sup>1</sup>.

A formal notice of the meeting, including the precise date, time and location, will be mailed to executive representatives on or about August 19, 2016.

Eligible individuals who have not been nominated for election to the FINRA Board by the Nominating Committee may be included on the ballot for the election of governors by following the petition procedures set forth in the By-Laws and as further described in this *Election Notice*.

**Note:** FINRA distributed this *Notice* electronically to the executive representative of each FINRA firm and it is posted online at [www.finra.org/Notices/Election/06212016](http://www.finra.org/Notices/Election/06212016). Executive representatives should circulate this *Notice* to their firms' branch managers.

Questions regarding this *Election Notice* may be directed to:

- ▶ Marcia E. Asquith, Senior Vice President and Corporate Secretary, at (202) 728-8949; or
- ▶ Jennifer Piorko Mitchell, Deputy Corporate Secretary, at (202) 728-8415.

**June 21, 2016**

### Suggested Routing

- ▶ Executive Representatives
- ▶ Senior Management

## Composition of the Board

The FINRA Board consists of 24 members,<sup>2</sup> including:

- ▶ the Chief Executive Officer of FINRA;
- ▶ thirteen Public Governors;
- ▶ 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 24 Board members, Public Governors, the Floor Member Governor, the Independent Dealer/Insurance Affiliate Governor and the Investment Company Affiliate Governor (Appointed Governors) are appointed by the FINRA Board from candidates recommended by the Nominating Committee.

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, Small Firm Governors must be registered with small firms, the Mid-Size Firm Governor must be registered with a mid-size firm and Large Firm Governors must be registered with large firms. In order for the Board to maintain compliance with the compositional requirements of the FINRA Board set forth in the FINRA By-Laws, the seven Elected Governors have a continuing obligation to satisfy the firm-size classification throughout the entire term for which the governor is elected. Pursuant to Article I of FINRA's By-Laws, firm sizes are defined as follows:

- ▶ a small firm is defined as a firm that employs at least one and no more than 150 registered persons;<sup>3</sup>
- ▶ a mid-size firm is defined as a firm that employs at least 151 and no more than 499 registered persons;<sup>4</sup> and
- ▶ a large firm is defined as a firm that employs 500 or more registered persons.<sup>5</sup>

## Terms and Term Limits

Governors are appointed or elected for three-year terms to replace those whose terms expire. Governors may not serve more than two consecutive terms. 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.

The By-Laws expressly provide that the term of office of a governor 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. Individuals seeking nomination for election as a Small Firm Governor, a Mid-Size Firm Governor or a Large Firm Governor also have an obligation to satisfy the firm-size classification on the date the petition is circulated, the date the petition is certified by FINRA's corporate secretary and the date of the annual meeting. Individuals who fail to meet this requirement will be disqualified from election.

## FINRA Nominating Committee Nominees

Pursuant to Article VII, Section 9 of the FINRA By-Laws, the FINRA Nominating Committee has nominated the following individual:

- ▶ **Large Firm Governors:** Mary Mack, Wells Fargo Advisors

A profile of the nominee is attached.

With respect to the Small Firm Governor seat, the Nominating Committee determined it would not nominate a candidate for election in 2016. Instead, any eligible candidates who obtain the requisite number of petitions will be included on the ballot.

## Petition Process for Additional Candidates

Pursuant to Article VII, Section 10 of FINRA's By-Laws, a person who has not been nominated for election to the FINRA Board by the Nominating Committee may be included on the ballot for the election of governors if:

- a. within 45 days after the date of this Election Notice, such person presents to the Secretary of FINRA petitions in support of such nomination, duly executed by at least three percent of FINRA member firms entitled to vote for such nominee's election. If, however, a candidate'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 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 based on the information provided by the person as is reasonably necessary for the Secretary to make the certification.

As of close of business on Monday, June 20, 2016, the number of FINRA small firms was 3,571, and the number of large firms was 184.

Firms may only endorse one petitioner for the same firm size seat as their own.

The petition must identify the seat for which the petitioner is seeking to be nominated. The petitioner 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. The petitioner 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 applicable size firm members. 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 Friday, August 5, 2016.**

The names of persons obtaining the requisite number of valid petitions will be included on the appropriate proxy mailed to eligible firms in advance of the annual meeting.

## Voting Eligibility

A proxy will be mailed, along with the notice of the annual meeting, to the executive representative on record at each eligible FINRA firm prior to the annual meeting.

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, small firms, mid-size firms and large firms may vote only for the candidates running for the seats reserved for their firm size.

FINRA will verify the size of each firm on the day the proxies are mailed. Each firm eligible to vote will receive a proxy containing the nominees for their voting class.

### Profile of Large Firm Governor Nominee

**Mary Mack** is president and head of Wells Fargo Advisors, LLC. Ms. Mack leads one of the nation's largest full-service retail brokerage organizations. She is a 32-year veteran of the company and has a broad mix of brokerage/advisory, banking and finance experience. Most recently, Ms. Mack led the Financial Services Group and was responsible for the strategic direction and management of investment, advisory and banking products; the firm's research and advice model; Financial Advisor (FA) recruiting; FA productivity and development; and the client and FA platform. Joining Wells Fargo Advisors through the mergers of Wachovia and First Union, Mary Mack has held a variety of leadership positions including the head of Wealth Brokerage Services (bank/brokerage channel); leader of Wachovia's Client Partnership; director of Community Affairs; General Bank regional president; and managing director of Healthcare Corporate Banking.

A graduate of Davidson College with a bachelor's degree in International Political Economy, Ms. Mack also serves on the college's board of trustees. She has served on the board or executive committee for Johnson C. Smith University, the United Way of Central Carolinas, Junior Achievement, Childcare Resources, and the Arts & Science Council. She is a founding member of the Foundation for Fort Mill Schools.

Ms. Mack was named among the "25 Most Powerful Women in Finance" for 2014 and 2015 by American Banker magazine. Previously, she was included by that publication among the Most Powerful Women in Banking Team for two consecutive years. Ms. Mack holds Series 7, 63 and 24 registrations.

## Endnotes

1. FINRA will hold a special election to fill a second Large Firm Governor vacancy later this year.
2. *See* Article Eight, paragraph (b) of the Restated Certificate of Incorporation of FINRA; Article VII, Section 4 of the FINRA By-Laws.
3. *See* Article I (ww) of the FINRA By-Laws.
4. *See* Article I (cc) of the FINRA By-Laws.
5. *See* Article I (y) of the FINRA By-Laws.