

**CONSTITUTION AND BYLAWS
EQUIPMENT AND TOOL INSTITUTE**

Last Amended October 1, 2021

ARTICLE I

NAME AND OFFICE

Section 1. **Name** – The formal name of this Institution shall be “EQUIPMENT AND TOOL INSTITUTE,” a registered Illinois not for profit corporation (501 c 6). The Institute may also be referred to as ETI. The ETI staff are responsible for managing guidelines on use of the brand name and the Board-approved logo, as well as, Trademark registration, approved colors, approved fonts, use of the logo and/or brand name for events, publications, and other uses. Any misuse of the name, logo, or brand identity are to be managed by the staff and reported to the Board.

Section 2. **Office** –The institute shall maintain a registered agent in Illinois, where the Institute is incorporated. The offices of the Institute are to be located in the general area of Detroit Michigan, but may be relocated should the Board of Directors determine that such a move would be in the best interests of the Institute and its members.

Section 3. **Operations** – The ETI staff are responsible for the day-to-day operations of the Institute. These operations include, but are not limited to:

1. Securing and maintaining a facility (offices) sufficient for conducting the business of the Institute.
2. Maintaining an agent responsible for all necessary business licenses, tax filings, and other documents required to conduct the business of the Institute
3. Maintaining business insurance for the Institute, Directors, and staff
4. Maintaining certified financial services
5. Maintaining certified legal services applicable to the automotive industry

6. Maintaining a Human Resources company to manage payroll, benefit management, hiring and termination, and other HR functions

ARTICLE II

PURPOSES

The purpose of this Institute shall be to promote the best interests of the automotive equipment and tool industry. This includes, but is not limited to:

1. Promoting the evolution of a viable Automotive Aftermarket
2. Protecting the financial and legal interests of its members and to promote the common business interests of the industry
3. Protecting the intellectual property of the membership and provide a secure repository for OEM Data
4. Providing unparalleled networking between members and OEMs in a collaborative, supportive environment
5. Acting as Technical Advisor to the Industry
6. Collaborating and cooperating with other stakeholders in the industry

ARTICLE III

MEMBERSHIP

Section 1. **Members** – Any person, firm or corporation eligible for membership if it meets the following qualifications:

- 1.1 Is engaged as a manufacturer, potential manufacturer or marketer of automotive service repair equipment, tools, information or services.

1.2 Is financially sound.

1.3 Has a demonstrable reputation for integrity and sound character.

1.4 Meets such other uniform requirements as may be established by the Board of Directors.

Section 2. **Membership Levels**

- Full Member
- Associate Member
- Affiliated Industry Member

While there are many benefits and services that ETI offers to its members, there is a limit to the benefits afforded to Associate and Affiliated Industry Members. Below is a summary of ETI member benefits and services:

Benefit/Service	Full Membership	Associate Membership	Affiliated Membership
Collective process to objectively address and achieve consensus on industry issues	X	X	X
Summer Tech Week Participation	X		
ETI Website Members Section	X	X	
ETI Website Vertical Group Section	X		
Information Exchange Forums	X	Limited	Limited
Winter Tech Week Participation	X		
May hold leadership positions on Board and Vertical Group	X		
Networking	X	X	X
E-mail News	X	X	X
Representation to present member viewpoints and concerns to legislators and regulators	X	X	
Marketing and Planning Committee participation	X	X	X
TEK-NET Library	Scan Tool Group		
Tool Tech Participation	X	X	X
Voting Privileges	X	X	

The main Distinction is that Full membership is required for the following:

1. Attend Summer Tech Week
2. Attend Winter Tech Week
3. Have access to the Tek-Net Library
4. Be able to Join ETI's vertical groups
5. Hold leadership positions within ETI (i.e. Vertical Group chairs, officers and directors)

Section 3. **Election of Members** – Any person, firm or corporation eligible for election to membership under these bylaws may be elected to membership upon application, and approval by a majority vote of the Board of Directors, in accordance with procedures adopted by the Board of Directors for such election.

Section 4. **Voting** –

- Each member firm and member corporation shall appoint and certify to the Executive Director of the Institute a person to be its representative in the Institute and who shall represent, vote and act for the member firm in all affairs of the Institute.
- Only the designated representative or in his/her absence, the designated alternate, shall be authorized to act as a voting representative of the member firm.
- Upon receipt of a qualified application for membership, the ETI staff will review the applicant's eligibility for membership and will submit the

applicant company to the Board of Directors for background check and vote.

- Should the Board have questions, during its background investigation, they will present the questions to the Executive Director who will, in turn, obtain the appropriate answers and resubmit to the Board.
- Once the Board is satisfied that all necessary information has been received and considered, there will be a follow up vote for acceptance into the Institute.
- Upon affirmative vote of the majority of the sitting Board of Directors, the applicant company is to be accepted into membership upon payment of all dues, fees and submission of signed Terms and Conditions to the Equipment and Tool Institute.

Section 5. **Duration of Membership and Resignation** – Membership in the Equipment and Tool Institute may terminate by voluntary withdrawal, or otherwise pursuant to these bylaws. All rights, privileges and interest of a member in or to the Institute shall cease on the termination of membership. Any member may, by giving written notice of such intention, withdraw from membership. Such notice shall be presented to the Board of Directors at the next succeeding meeting of the Board of Directors. Withdrawals shall be effective upon fulfillment of all obligations for the current quarter and payment of any special assessments due prior to the receipt of the notice of resignation.

Section 6. **Suspension and Expulsion** – Membership in the Institute may be suspended or terminated for cause. Sufficient cause for such suspension or termination of membership shall be violation of the bylaws or any lawful rule or practice duly adopted by the Institute, or any other conduct prejudicial to the interests of the Institute or its members. Violations may include but are not limited to:

- Misuse of any vehicle manufacturer's intellectual property

- Sharing and/or misuse of Equipment and Tool Institute or its member's private or confidential information
- Sharing and/or misuse of OEM data or confidential information
- Violating OEM license agreements
- Offering products for the purpose of "tuning"
- Openly criticizing ETI policy
- Openly acting, in any way detrimental to the reputation, image, and workings of the Institute.

Board Members, General Members, OEM partners, and allied organizations who become aware of Member misconduct or illicit activity, should report such issues to the Executive Director in writing. The Executive Director shall inform the Executive Committee and will validate the allegations. Upon investigation and verification by the Executive Committee and Executive Director, the Board shall commence the process of Investigation, Suspension or Expulsion.

Suspension or expulsion shall be by two-thirds (2/3) vote of the Board of Directors; provided, that a statement of the charges shall have been mailed by certified or registered mail to the last recorded address of the member at least fifteen days before the final action is taken by the Board of Directors. This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors at which charges shall be considered and the member shall have the opportunity to appear in person and/or to be represented by counsel and to present any defense to such charges before action is taken by the Board of Directors.

ARTICLE V

DUES OR ASSESSMENTS

Section 1. **Dues and Assessments** – The Board of Directors shall determine any fees, annual dues and assessments for members of the Institute. Payment due dates, invoicing, payment

tracking and collections will be handled by the ETI Staff and the status reported to the Board at every quarterly Board of Directors meeting.

Section 2. **Contributions** – The Institute at any time may accept and use contributions or gifts made to it by any person, firm or corporation. All contributions or gifts above nominal value must be approved by the Board of Directors. Voluntary labor by members will not be considered a contribution or gift in relation to this section.

Section 3. **OEM Licenses and Subsequent Fees**—ETI has acted in the role of repository for OEM data for over 20 years. Annual Membership Dues and Vertical Group fees have been the revenue source for maintaining the Repository and maintaining the operations of the Institute. Many OEMs are moving to licensing models for their OBD and other forms of data. When approached, ETI may enter into agreements with automakers to facilitate data licensing, Secure Gateway Access, document management, or other forms of relative support. These requests will each be reviewed between ETI staff and the Board of Directors on an individual basis. The resulting actions will be managed by ETI Staff.

Section 4. **Failure to Pay** – Members who fail to pay their dues of assessments within thirty (30) days from the time they become due shall be notified at that time by the Executive Director or such other office as may be designated for such purposes by the Board of Directors and, if payment arrangements are not made within the next succeeding sixty (60) days, shall, without further notice and without hearing, be dropped from membership and forfeit all rights and privileges of membership. The Board of Directors may, by rule, prescribe procedures for extending the time for payment of dues and assessments and continuation of membership privileges upon request of a member and for good cause shown.

Members who elect not to renew their membership and pay the appropriate dues/fees are to be listed as inactive and not eligible for participation in ETI events, communications, or activities. Should that member seek to renew their membership within 2 years of cancellation,

they must pay dues in arrears, back to the time of termination. After 3 years time, former members wishing to rejoin ETI must submit a new Application for Membership and go through the vetting process, just as any other new member would do.

ARTICLE V

MEETINGS

Section 1. **Annual Meetings** – There shall be an annual meeting of the Institute, as ordered by the Board of Directors, for the receiving of the annual reports, Installation of Directors and Officers, and for the transaction of other business. Notice of such meeting, sent by the Executive Director, shall occur at least thirty (30) business days before the time appointed for the meeting.

Section 2. **Special Meetings** – Special meetings of the Institute may be called by the President, Executive Director or the Board of Directors, or shall be called by the President upon the written request of fifteen or more members. Notice of any special meetings shall be sent to the last noted e-mail address of each member at least five (5) business days before the time appointed for web conference or conference call meetings and twenty (20) business days before face-to-face meetings with a statement of time and place of the meeting and information as to the subject matter to be considered.

Section 3. **Quorum** – One-third (1/3) of the active ETI members by either virtual or live participation shall constitute a quorum at any meeting of members. An Active Member is defined as: Any person, firm or corporation eligible for membership as defined in Article III, Section 1 of these Bylaws, is current on all dues and fees, and considered to be in good standing. If a quorum is not present, the members present may adjourn the meeting, without any further notice, until a quorum is convened.

Section 4. **Procedures** – All meetings of the Institute shall be governed by parliamentary process as set forth in Robert’s Rules of Order (most recent edition) when it does not conflict with these bylaws. All matters submitted to a vote of members shall be adopted only after receiving a favorable vote of two-thirds (2/3) or more of the members present.

Section 5. **Attendance** – At all meetings, members may be represented by any officer, partner or principal, any members or representatives of, or any members of the firm who the member may delegate for the purpose as provided in Article III, Section 3. Guests shall be allowed at meetings only on approval of the presiding officer. Meetings of the Board of Directors shall be open only to officers, directors, the Executive Director, ETI Staff, and Past Presidents, except by special invitation. Meetings may be designated as “Executive” or “Closed” meetings, and attendance shall be limited in accordance with procedures adopted by the Board of Directors.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. **Composition and Term of the Board** – The Board of Directors shall have supervision, control and direction of the affairs of the Institute, shall determine its policies or changes therein within the limits of the bylaws, shall actively prosecute its purposes and shall have discretion in the disbursement of its funds. It may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may, in the execution of the powers granted, appoint such agents as it may consider necessary.

The Board shall consist of the elected officers and nine (9) directors elected by the members and Immediate Past President. Directors, with the exception of officers, shall take office on the first day of the next month following affirmation at the annual meeting of their election and serve for a term of three (3) years, with one-third (1/3) of the directors elected each year. One (1) of these directors may be elected as a designated “Technical Director.”

Key Functions/Responsibilities

- Promote and represent the institute with key stakeholders e.g. OEM’s, National Accounts

- Promote ETI’s mission and events
- Attend 4 board meetings per year in person or via teleconference
- Attend ETI sponsored events and meetings
- Adhere to generally accepted Nonprofit corporate governance – Directors’ fiduciary responsibilities as outlined in Article III above. (Guidelines provided to all new board members and available by request from the Executive Director.)

Directors may be reelected at the conclusion of their terms to additional terms on the Board of Directors.

There shall be no more than two board members and/or officers from the same member company. In the event of an acquisition or merger involving current sitting Board Members, the Board of Directors, at the next regular meeting of the board, will work to remedy the issue in a manner that retains the two board members from the same company limit and if necessary request the Executive Committee appoint a replacement according to Article III.

During the time span where there are more that 2 board members from the same company holding board seats, the board members associated with that company will not be able to vote on board issues.

Section 2. **Power of Board** – The Board of Directors shall have supervision, control and direction of the affairs of the Institute, shall determine its policies or changes therein within the limits of the bylaws, shall actively prosecute its purposes and shall have discretion in the disbursement of its funds. It may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may, in the execution of the powers granted, appoint such agents as it may consider necessary.

Section 3. **FIDUCIARY RESPONSIBILITIES OF THE BOARD**

The board collectively, and the directors/executives individually, owe fiduciary duties to the Institute. In essence, exercising fiduciary duties means that board members have a duty to act with care and in the best interest of the organization and remain loyal to its mission, as opposed to acting in their own interest or the interest of the CEO/Executive Director they supervise.

Section 1. **Duty of Care**—Each member of the Board of Directors shall act in good faith and in a manner the director reasonably believes to be in the best interests of the Institute. Board members should make every effort to attend meetings, make reasonable inquiries, and provide relevant information from trustworthy sources to the Board.

Section 2. **Duty of Loyalty**—Directors must exercise their powers in the interest of the Institute and its members and not in their own interests or the interest of another entity or person. Directors must avoid conflicts of interest, appropriation of Institute assets, opportunities, or funds. Directors shall treat all business of the Institute as confidential, until such time as the information has been exposed to the general public, made a matter of public record, or otherwise made common knowledge.

Section 3. **Duty to Act in Good Faith**—Directors are required to act honestly, with faithfulness to their duties and obligations, and not attempt to take advantage of the Institute, its members, or its position in the industry.

Section 4. **Duty of Obedience**—Directors must be faithful to the underlying purposes and goals of the Institute. Directors should proactively engage in establishing and executing strategic direction and Long Range Plans (LRP) for ETI that are consistent with the Mission and Vision of the Institute.

Section 4. **Meetings** – Except that the Board of Directors shall have a regular meeting at the time and place of the annual meeting of members, the Board shall meet upon call of the President, or shall be called for meeting by the President upon the written request of a majority of the members of the Board of Directors at such time and place as may be designated. Notice of all meetings of the Board of Directors shall be sent to each member of the Board at the director’s last recorded e-mail address at least five (5), business days before the time appointed

for web conference or conference call meetings and twenty (20) business days before face to face meetings.

Section 5. **Quorum** – A majority of the whole Board of Directors shall constitute a quorum at any meeting of the Board. If a quorum is not present, a majority of those Directors present may adjourn the meeting, from time to time, without further notice until a quorum is present.

Section 6. **Compensation** – Directors, as such, shall not receive any stated compensation for their services as directors, but, the Board of Directors may, by resolution, authorize reimbursement of expenses incurred in the performance of their duties. Such authorization may prescribe procedures for approval and payment of such expenses by designated officers of the Institute. Nothing herein shall preclude a director from serving the Institute in any other capacity and receiving compensation for such services.

Section 7. **Resignation or Removal** – Any Director, may resign at any time by giving written notice to the President, the Executive Director, or to the Board of Directors. 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 President or the Board of Directors. Any Director may be removed by a two thirds (2/3) vote of the members present, following notice, at any regular or special meeting at which a quorum is present. In the event any officer or Director should become disassociated with a member firm for over ninety (90) days, he/she shall be deemed to have resigned, and shall cease to hold his/her elective position.

All directors are expected to attend all board meetings. A Director's absence will be deemed "Excused" or "Non-Excused" by a simple majority vote of those in attendance. Having two (2) Non-Excused occurrences in the same calendar year constitutes a resignation.

Section 7. **Vacancy** – In the event a vacancy should occur by a director, this vacancy may be filled by the Executive Committee with ratification by the Board of Directors until the next

regular election of the membership. The person who fills the vacancy must meet the criteria for a regularly elected director.

Directors appointed to their positions by the Executive Committee or the Board of Directors may be removed by the Board of Directors whenever in their judgment the best interest of the Institute shall be served.

ARTICLE VII OFFICERS

Section 1. **Elective Officers** – The elective officers of the Institute shall be the President, Vice President of Programs, Vice President of Marketing, and the Secretary/Treasurer and such other officers as may be deemed necessary. These officers shall be elected annually by the members. The President, Vice Presidents and Secretary/Treasurer at the time of their election must be members or have been elected members of the Board of Directors. If a sitting director is elected as an officer, the director’s position shall be deemed vacated upon election, and the Executive Committee shall fill the vacancy as provided in Article VI, Section 7. “Vacancy”.

Section 2. **Term of Office** – Each elected officer shall take office the first day of the month following affirmation at the annual meeting of their election and shall serve for a term of one year and/or until their successor is duly elected and qualified.

Section 3. **Removal** – Any officer or agent appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Institute shall be served.

Section 4. **Vacancy** – In the event a vacancy should occur by an officer, this vacancy may be filled by the Executive Committee with ratification by the Board of Directors until the next regular election of the membership. This person who fills the vacancy must meet the criteria for a regularly elected officer. In the case of the President, the Immediate Past President shall fulfill the duties and responsibilities of the vacated presidency for the remainder of the term. If the immediate Past President is unable or unwilling to complete the vacated term, the next in the line of past presidents will be asked until the position is filled.

Officers appointed to their positions by the Executive Committee or the Board of Directors may be removed by the Board of Directors whenever in their judgment the best interest of the Institute shall be served.

Section 5. **President** –

The President shall hold the position of the Chairman of the Board for the Institute, shall preside at meetings of the Institute and of the Board of Directors and the Executive Committee and shall be a member *ex-officio*, with right to vote, on all committees except the Nominating Committee. He/she shall also, at the annual meeting of the Institute, and at such other times as he/she shall deem proper, communicate to the Institute or to the Board of Directors, such matters and make such suggestions as may in his/her opinion tend to promote the welfare and increase the usefulness of the Institute, and shall perform such other duties as are necessarily incident to the office of the President or as may be specified by the Board of Directors. The President shall be responsible for the implementation of the policies of the Institute as determined by the Board of Directors. The President shall supervise the activities of the Institute and the management thereof by the Executive Director.

Key Functions/Responsibilities

- Chairman of the Board
- Represent the Institute as the Chairman

- Oversee the Board of Directors meetings
- Sit as an elective officer on ETI's Executive Committee
- Attend 4 board meetings per year in person or via teleconference
- Attend ETI sponsored events and meetings
- Promote the institute with key stakeholders e.g. OEM's, National Accounts
- Adhere to generally accepted Nonprofit corporate governance – Directors' fiduciary responsibilities. (See Article VI Section 3)

Section 6. **Vice President - Programs**

The Vice President - Programs primary duty is to chair the annual meeting Program Committee. The VP Programs will work with the Board and staff to select location, create agenda, and overall plan for approval by the board of the next term's annual meeting. The Vice President - Programs shall have such other duties as may be specified by the Board of Directors. The Vice President -Programs follows the President in succession.

Key Functions/Responsibilities

- Chair the Program Committee and help plan the upcoming annual meeting including agenda and overall event planning
- Chair the location selection committee in securing a venue for the up-coming annual meeting (Tool Tech)
- Fill in for the President when requested or during temporary disability situations
- Sit as an elected officer on ETI's Executive Committee
- Attend 4 board meetings per year in person or via teleconference
- Attend ETI sponsored events and meetings
- Promote the institute with key stakeholders e.g. OEM's, National Accounts
- Adhere to generally accepted Nonprofit corporate governance – Directors' fiduciary responsibilities. (Guidelines provided to all new board members and available by request from the Executive Director)

Section 7. **Vice President - Marketing**

The Vice President Marketing's primary duty is to chair the Marketing Committee. The VP Marketing will work with the Board and staff to guide the institutes marketing efforts and drive support for the Annual Meeting (Tool Tech) and Tech Week events. The VP Marketing shall have such other duties as may be specified by the Board of Directors. The VP Marketing follows the VP Programs in succession.

Key Functions/Responsibilities

- Chair the Marketing Committee
- Fill in for the President or VP Programs when requested or during temporary disability situations
- Promote the institute with key stakeholders e.g. OEM's, National Accounts
- Promote ETI's mission and events
- Sit as an elective officer on ETI's Executive Committee
- Attend 4 board meetings per year in person or via teleconference
- Attend ETI sponsored events and meetings
- Adhere to generally accepted Nonprofit corporate governance – Directors' fiduciary responsibilities. (Guidelines provided to all new board members and available by request from the ED)

Section 8. **Secretary/Treasurer** –

The Secretary/Treasurer shall take notes of all meetings of the Institute to keep a record of all proceedings, or appoint an ETI staff member take notes and submit them to the board after reviewing them. The Secretary/Treasurer shall review the ETI financials, including profit and loss statements, balance sheet, disbursements, and Executive Director expense reports on a monthly basis, compare it to the budget, and report any significant deviation or concern to the board. The duties of the Secretary/Treasurer, under approval and authority of the Board of Directors may be assigned in part to the Executive Director. The Secretary/Treasurer shall have such other duties as may be specified by the Board of Directors. The Secretary / Treasurer is the first executive officer position, and upon successful completion of term may be appointed to the VP of Marketing next in succession.

Key Functions/Responsibilities

- Take notes for all ETI meetings or appoint an ETI staff member to do so
- Review ETI's financials on a monthly basis
- Review ETI's performance against budget on a quarterly basis
- Approves expenditures of the Executive Director
- Oversee the expenditures of the institute and Executive Director
- Promote the institute with key stakeholders e.g. OEM's, National Accounts
- Promote ETI's mission and events

- Sit as an elective officer on ETI's Executive Committee
- Attend 4 board meetings per year in person or via teleconference
- Attend ETI sponsored events and meetings
- Adhere to generally accepted Nonprofit corporate governance – Directors' fiduciary responsibilities. (Guidelines provided to all new board members and available by request from the EM)

Section 9. Executive Director –

The Executive Director is the administrator and manager of the Institute. This shall be a salaried staff head or firm employed or appointed by the Board of Directors. He/she shall be responsible to the President and the Board of Directors. He/she shall have the authority to execute contracts on behalf of the Institute as appropriate for the position or when approved by the Board of Directors. He/she shall have the title of Executive Director or such other title as the Board of Directors shall from time to time designate. He/she shall employ and may terminate the employment of members of the staff necessary to carry out the work of the Institute. He/she shall manage and direct all functions and activities of the Institute and perform such other duties as may be specified by the Board of Directors.

Key Functions/Responsibilities

Leadership & Management:

- Assure that the organization has a long-range strategy which achieves its mission, and toward which it makes consistent and timely progress. Recommend timelines and resources needed to achieve the strategic goals
- Actively engage and energize ETI's member companies, individual volunteers, board members, committees and partnering organizations. Promote active and broad participation by volunteers in all areas of the organization's work, especially the organization's vertical groups.
- Maintain, and support a strong Board of Directors: serve as ex-officio of each committee, seek and build board member involvement with strategic direction for all ongoing activities and projects. Provide leadership in developing program,

organizational and financial plans with the Board of Directors and staff, and carry out plans and policies authorized by the board.

- Maintain official records and documents, and ensure compliance with federal, state and local regulations.
- Maintain a working knowledge of significant developments and trends in the automotive repair industry.
- Represent ETI with the Automotive Manufacturers

Financial and legal:

- Be responsible for developing and maintaining sound financial practices.
- Work with the staff, Finance Committee, and the board in preparing a budget; see that the organization operates within budget guidelines.
- Ensure that adequate funds are available to permit the organization to carry out its work.
- Jointly, with the president and secretary of the board of directors, conduct official correspondence of the organization, and jointly, with designated officers, execute legal documents.

Communications:

- See that the board is kept fully informed on the condition of the organization and all important factors influencing it.
- Publicize the activities of the organization, its programs and goals.
- Establish sound working relationships and cooperative arrangements with other industry groups and organizations.
- Represent the programs and point of view of ETI to government agencies, organizations, automakers and the general public.
- Deepen and refine all aspects of communications—from web presence and social media to external relations with the goal of creating strong brand recognition

- Use external presence and relationships to garner new opportunities

ARTICLE VIII
COMMITTEE

Section 1. **Appointment** – The President, subject to the approval of the Board of Directors, shall annually appoint such standing or special committees or subcommittees as may be required by the bylaws or as he/she may find necessary.

Section 2. **Executive Committee** – The executive committee shall be comprised of the officers of the institute, the Executive Director, immediate past president and the option of one other director as elected by the Executive Committee shall constitute an Executive Committee. The Executive Committee members may exercise the powers of the Board of Directors when the Board of Directors is not in session, reporting to the Board at its next meeting any action taken. A majority of the voting members of the committees shall constitute a quorum for the transaction of business. Meetings may be called by the President or by any three members.

Section 3. **Nominating Committee** – The President shall appoint a Nominating Committee from Immediate Past Presidents, to nominate candidates for elected directors and elected officers. The committee shall report the names of the candidates it proposes to the President 60 days prior to the election. The President will bring this slate to the Executive Committee for confirmation and send to the Executive Director to post. Nominations may also be made by any member within ten (10) business days. The Executive Director will post a new ballot within the following ten (10) business days.

All nominees, for elected office and membership on the Board of Directors must be in the active employ of a member company and such nominee must have the approval of the nominee's company prior to the time of election. In no event shall any one member have more than two of its employees at any one time on the Board of Directors.

Section 4. **Advisory Committee** – There shall be an Advisory Committee which shall advise and be heard by the Board of Directors on any question of policy involving or likely to affect the Institute or its structure. All Past Presidents shall serve as members of this committee. The immediate Past President shall serve as Chairman of the Advisory Committee. All Advisory Committee members shall have notice of, and the right to attend with prior indication of that attendance, Board meetings, but shall be without vote.

Section 5. **Rules** – Each committee may adopt rules for its own government, not inconsistent with these bylaws or with rules adopted by the Board of Directors.

ARTICLE IX

MISCELLANEOUS

Section 1. **Membership Voting** – Whenever, in the judgment of the Board of Directors, any question shall arise, which it believes should be put to a vote of the membership, including the election of directors and officers and amendments to these bylaws, and when it deems it inexpedient to call a special meeting for such purposes, the Directors may, unless otherwise required by these bylaws, submit such a matter to the membership in writing by mail or electronic means for vote and decision. The question thus presented shall be determined within ten (10) business days after such submission to the membership, provided In each case, votes of at least one-third (1/3) of members must be received and 2/3 of those votes must concur .

Section 2. **Fiscal Year** – The fiscal year shall be as determined by the Board of Directors.

Section 3. **Seal** – The Institute shall have a seal of such design as the Board of Directors may adopt, and it may be used by the members in accordance with the rules as may be adopted by the Board of Directors.

Section 4. **Dissolution** – The Institute shall use its funds only to accomplish the objectives and purposes specified in these bylaws and no part of its funds shall inure, or be distributed, to the members of the Institute. On dissolution of the Institute, any funds remaining shall be distributed to one or more regularly organized and qualified professional society, trade association, charitable, educational, scientific or philanthropic organizations to be selected by the Board of Directors.

Section 5. **Indemnification** – The Institute shall indemnify and hold harmless each person who is now or shall hereafter serve as a director, officer or employee of the Institute from and against any and all claims and liabilities whether the same are settled or proceed to judgment, to which such person shall have become subject, by reason of his/her having heretofore or hereafter been a director, officer or employee of the Institute, or by reason of any action alleged to have heretofore or hereto after been taken or omitted by him as such director, officer or employee, shall reimburse each such person for all legal and other expenses (including the cost of settlement), reasonably incurred by him/her in connection with any such claim, liability, suit, action or proceedings; provided, however, that no such person shall be indemnified against or be reimbursed for, any claims, liabilities, cost or expenses incurred in connection with any claim, liability or threat or prospect thereof, based upon or arising out of his/her own negligence or willful mis-performance of his/her duties as such director, officer or employee. The determination of all questions as to the existence of negligence or willful misconduct, as to the right to indemnify and reimbursement hereunder and the reasonableness of such costs and expenses may be made and shall be final and conclusive if made, by the Board of Directors acting at a meeting at which a quorum is unaffected by self-interest (notwithstanding that other members of the quorum present, but not voting, may be so affected). The rights accruing to any person under the provisions of this section shall not exclude any other right to which he/she may be lawfully entitled, nor shall anything herein contained restrict the right of the Institute to indemnify or reimburse such persons in any case even though not specifically provided for herein.

Section 6 Insurance – The Institute must purchase and maintain insurance on behalf of the Institute and any person who is or was serving the Institute as an officer, director, committee member, agent or employee against any liability asserted against the Institute or such persons in connection with or related to the Institute matters whether or not the Institute would have power to indemnify such person(s) against such liability.

ARTICLE X

AMENDMENTS TO THE BYLAWS

These bylaws may be amended by affirmative action of a two-thirds (2/3) majority of the members present at any regular or special meeting, provided such proposed change is submitted by mail or electronic means to the members at least ten (10) business days in advance of the meeting at which the proposal is to be considered. These bylaws may also be amended by the affirmative vote of the majority of all the members of this Institute, by mail or electronic means provided that written or electronic notice shall be submitted to all members at least ten (10) business days before such ballots are due to be returned for counting.