

# AMENDED AND RESTATED BYLAWS

## EQUIPMENT AND TOOL INSTITUTE

Effective April 24, 2024

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## DEFINITIONS

The following definitions shall apply to these Bylaws:

“Affiliated Membership” shall mean a member of that class of members that enjoy the benefits and services of Affiliated Membership as described in Article III, Section 2.

“Associate Member” shall mean a member of that class of members that enjoy the benefits and services of Associate Membership as describe in Article III, Section 2.

“Executive Board” shall mean the Executive Board of Directors, which shall serve as the board of directors of the corporation, as defined in Article VI, Sections 1 and 2.

“ETI” shall mean the Equipment and Tool Institute, a registered Illinois not for profit corporation.

“Full Member” shall mean a member of that class of members that enjoy the benefits and services of Full Membership as described in Article III, Section 2.

“General Membership Agreement” shall mean that agreement between the members and the corporation.

“Institute” shall mean the Equipment and Tool Institute, a registered Illinois not for profit corporation.

“OEM” shall mean original equipment manufacturer.

“OEM Data” shall mean vehicle specifications and vehicle information required for the use of diagnosis, service and repair of vehicles, as well as data generated by the vehicle for use in diagnosis, service and repair of that vehicle.

“Probationary Membership” shall have the meaning set forth in Article III, Section 5.

“Probationary Membership Agreement” shall mean that agreement between the Probationary Members and the corporation.

## ARTICLE I

### NAME AND REGISTRATION

Section 1. **Name and Brand** – The formal name of this corporation shall be “EQUIPMENT AND TOOL INSTITUTE,” a registered Illinois not for profit corporation (501)(c)(6)) (“ETI” or the “Institute”). 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 Executive Board of Directors ("Executive Board").

Section 2. **Registration** – The Institute shall maintain a registered agent in Illinois, where the Institute is incorporated.

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. Maintaining an agent responsible for all necessary business licenses, tax filings, and other documents required to conduct the business of the Institute;
2. Maintaining business insurance for the Institute, Directors, and staff;
3. Maintaining certified financial services;
4. Maintaining certified legal services applicable to the automotive industry; and
5. 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 in the United States and other regions as defined by the Executive Board. 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 providing 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; and
6. Collaborating and cooperating with other stakeholders in the industry.

## **ARTICLE III**

### **MEMBERSHIP**

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

1. Is engaged as a manufacturer, potential manufacturer or marketer of automotive service repair equipment, tools, information or services;
2. Has a regular physical presence in the United States or other region as defined by the Executive Board;
3. Is financially sound;
4. Has a demonstrable reputation for integrity and sound character; and
5. Meets such other uniform requirements as may be established from time to time by the Executive Board.

Section 2. **Membership Levels** – The Institute shall have 3 classes of members:

- Full Member
- Associate Member
- Affiliated Industry Member

Below is a summary of ETI member benefits and services associated with each membership class:

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 Executive Board and Vertical Group	X		
Networking	X	X	X
Email 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	X	X	X
Tool Tech Participation	Scan Tool Group		
Voting Privileges	X	X	X



Only Full Members who are current on all dues and fees shall be considered to be in good standing and entitled to vote on matters presented to the members for vote. All other members are nonvoting.

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 Executive Board, in accordance with the procedures described in Sections 4 and 5 below.

Section 4. **Approval Procedure** – Applicants for membership in the Institute shall be approved and elected in accordance with the following procedure:

- Each applicant that is a firm or corporation shall appoint and certify to the President of ETI a person to be its representative in the Institute and who shall represent, vote and act for the firm or corporation 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 firm or corporation.
- Upon receipt of a qualified application for membership, the ETI staff will review the applicant's eligibility for membership and, if eligible, will submit the application to the President of ETI for presentation to the Advisory Board.
- Upon receipt of the application from the President of ETI, the Advisory Board shall review the application and make a recommendation to the Executive Board whether to approve or reject the application for membership. The President of ETI shall present the Advisory Board's recommendation to the Executive Board, which shall also conduct a background check on the applicant.
- Should the Executive Board have questions, during its background investigation, it will present the questions to the President of ETI who will, in turn, endeavor to obtain the appropriate answers or information and resubmit to the Executive Board.
- Once the Executive Board is satisfied that all necessary information has been received and considered, there will be a follow up vote of the Executive Board to determine whether the applicant is elected to membership in the Institute and, in the case of applicants for Full Members, whether to be admitted initially as Probationary Members. Approval and

election to membership in the Institute is solely within the discretion and prerogative of the Executive Board, which may deny membership to any applicant for any or no reason. Upon affirmative vote of majority of the Executive Board, the applicant is to be accepted into membership upon payment of all dues and fees, and execution and delivery of the General Membership Agreement, as such may be amended from time to time by the Executive Board ("General Membership Agreement") or, if admitted initially as Probationary Members, the Probationary Membership Agreement, as such may be amended from time to time by the Executive Board ("Probationary Membership Agreement").

Section 5. **Probationary Membership** –At the discretion of the Executive Board, some newly approved Full Members may be classified as “Probationary Members” for the first 12 months of membership. Probationary Members shall be required to execute, and be bound by, the terms and conditions set forth in the Probationary Membership Agreement. Upon conclusion of the 12-month probationary period, absent any prior termination, expulsion or resignation, the Executive Board shall, at its next regular meeting following the expiration of the 12-month probationary period, vote whether to approve Probationary Member as a Full Member. If no vote of the Executive Board is taken on the matter at the next regular meeting of the Executive Board, the Probationary Member shall automatically, and without the need for any further Executive Board action, become a Full Member upon execution of the General Membership Agreement. If the Probationary Member is not approved as a Full Member, the Probationary Member shall no longer be a member of the Institute.

Section 6. **Duration of Membership and Resignation** – Membership in the Institute may terminate by voluntary resignation, 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, resign from membership. Such notice shall be presented to the Executive Board at the next succeeding meeting of the Executive Board.

Resignations shall not relieve members from paying dues in full for the entire year and satisfying all other obligations for the current quarter.

Section 7. **Suspension and Expulsion** – Membership in the Institute may be suspended or terminated for cause. “Suspension” shall be a temporary cessation of all member benefits, rights, and privileges for a specified limited period of time, after which all former member benefits, rights, and privileges shall be restored. “Termination” shall mean a permanent and complete cessation of all member benefits, rights, and privileges; provided, however, that termination shall not preclude a former member from later reapplying for membership as provided in these Bylaws. Sufficient cause for such suspension or termination of membership shall be a violation of these Bylaws or any lawful rule or practice duly adopted by the Institute, breach of a member's obligations under the Probationary Membership Agreement or the General Membership Agreement, or any other conduct prejudicial to the interests of the Institute or its members, as determined by the Executive Board. Violations may include but are not limited to:

- Misuse of any entities’ intellectual property
- Sharing and/or misuse of Institute or its members’ 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”
- Publicly criticizing ETI policy

- Openly acting in any way detrimental to the reputation, image, and workings of the Institute.

Members who become aware of member misconduct or illicit activity should report such issues to the President of ETI in writing. The President of ETI shall inform the Executive Committee. The Executive Committee shall then promptly investigate the allegations and, if the results of such an investigation substantiate the allegations, shall recommend to the Executive Board that it commence the process of Investigation, Suspension, or Expulsion described in the paragraph below.

Upon receipt of the recommendation to commence the process of investigation from the Executive Committee, the Executive Board shall send a statement of the charges by certified or registered mail to the last recorded address of the member at least thirty (30) days before any action is taken by the Executive Board on the matter. This statement shall be accompanied by a notice of the time and place of the meeting of the Executive Board 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 Executive Board. Upon conclusion of the hearing, the Executive Board may, by two thirds (2/3) vote of the entire Executive Board, suspend or terminate the membership of the member if the Executive Board believes that cause has been established sufficient to warrant suspension or termination in light of the evidence and testimony presented. Prompt notice of the Executive Board's decision shall be provided to the member.

## **ARTICLE IV**

### **DUES OR ASSESSMENTS**

Section 1. **Dues and Assessments** – The Executive Board 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 Executive Board at every quarterly Executive Board 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, other than gifts of cash, cash equivalents, or publicly traded securities, must be approved by the Executive Board. Voluntary labor by members will not be considered a contribution or gift in relation to this section.

Section 3. **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 President of ETI or such other office as may be designated for such purposes by the Executive Board, if payment arrangements are not made within the next succeeding sixty (60) days, shall, without further notice and without hearing, be terminated from membership and forfeit all rights and privileges of membership. The Executive Board 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 and

shall not be entitled to vote at member meetings. Should that member seek to renew its membership within 2 years of cancellation, it must pay dues in arrears, back to the time of termination. After 2 years' time, former members wishing to rejoin as members must submit a new Application for Membership and follow the procedure described in Article III.

## **ARTICLE V**

### **MEMBER MEETINGS**

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

Section 2. **Special Meetings** – Special meetings of the members of the Institute may be called by the Chairman, President of ETI or the Executive Board, and shall be called by the Chairman upon the written request of fifteen (15) 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. **Waiver of Notice** – Attendance at a meeting of members, in person or by proxy, constitutes a waiver of notice of the meeting, except when the member 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.

Section 4. **Quorum** – A majority of the voting ETI members present in person, by proxy, or by remote participation, shall constitute a quorum at any meeting of members. If a quorum is not

present, the members present may adjourn the meeting, without any further notice, until a quorum is convened.

Section 5. **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. Except as otherwise provided in the Articles of Incorporation, these Bylaws, or applicable law, all matters submitted to a vote of members shall be adopted only after receiving a favorable vote of more than one half (1/2) of the voting members present in person or by proxy, or participating by remote communications equipment.

Section 6. **Participation and Attendance** – A member may participate in a meeting of members by conference phone or other means of remote communication that permits all person that participate in the meeting to communicate with all the other participants. All participants shall be advised of the means of remote communication. Participation in a meeting by conference phone or other means of remote communications that satisfies the aforementioned requirements constitutes presence in person at the meeting. At all meetings, members who are companies or firms may be represented by any officer, partner or principal, or by any members or representatives of the company or firm who the member may delegate for the purpose of member representation. Guests shall be allowed at meetings only on approval of the presiding officer.



## **ARTICLE VI**

### **BOARD OF DIRECTORS**

Section 1. **Executive Board** – The Executive Board shall constitute the Board of Directors of the Institute. Only members of the Executive Board (hereinafter “Directors”) shall have the right to vote on Executive Board matters.

Section 2. **Composition and Terms of Office of the Executive Board** – The Executive Board shall consist of the following four officers: the Chairman, the Vice Chairman, the VP of Global Growth and Strategy, and the Secretary/Treasurer (the “Officer Directors”), together with up to five additional Directors (the “At-Large Directors”) elected by the members at the annual meeting of the members. Of the five At-Large Directors, up to two may be elected by the members from among the European Directors. The total number of Executive Board members shall not exceed nine.

Executive Board members shall assume their roles on the first day of the month following the annual meeting. Officer Directors will serve a single two-year term on the Executive Board, and may not be re-elected for successive terms. At-Large Directors will also serve a two-year term, but may be re-appointed for successive terms.

Section 3. **Advisory Board** – The Institute shall also have an Advisory Board. The Advisory Board shall advise and be heard by the Executive Board on any question of policy involving or likely to affect the Institute or its structure. The Advisory Board is not the Board of Directors or any part of the Board of Directors of the Institute, shall have no vote on Executive Board matters, and shall neither have nor owe any fiduciary duties to the Institute. The Advisory Board shall consist of the

Vice Chairman, who will serve as the Advisory Board's chair, along with a Secretary-Treasurer-Elect and a VP of Global Growth and Strategy-Elect (the "Elect Advisory Board Members"), together with no less than five and no more than nine additional Advisory Board members elected by the members (the "At-Large Advisory Board Members"). Elect Advisory Board Members shall be appointed for 2 year terms, after which they will automatically, and without the necessity of any further Executive Board or member action, succeed to the officer positions as Chairman, Secretary-Treasurer, and VP of Global Growth and Strategy, respectively, and serve as successor Officer Directors on the Executive Board.

Advisory Board members shall assume their roles on the first day of the month following their election at the annual meeting.

At-Large Advisory Board Members shall be elected to two year terms of office, and may be reelected to successive terms of office. One of these At-Large Advisory Board Members may be designated as the "Technical Advisor," who shall have and may exercise such authority, and shall assume such responsibilities, as may be delegated and/or assigned by the Executive Board to the Technical Advisor from time to time.

Section 4. **Board Member Limits** – No more than one individual from the same member firm or corporation is permitted to serve on the Executive Board and no more than two individuals from the same member firm or corporation are permitted to serve on the Executive Board and Advisory Board collectively. In the event the Executive Board is made aware of any situation where there are more than the permitted number of individuals from any single firm or corporation serving on the Executive Board or the Advisory Board, the Executive Board, during its next regular meeting,

shall take action to remove and replace a sufficient number of the Directors or Advisory Board members in office to reduce the number of Directors or Advisory Board members, as the case may be, from any single member firm or corporation as necessary to ensure compliance with these limitations. During periods when there is more than one individual from the same member firm or corporation serving on the Executive Committee, none of the Executive Board members associated with that member firm or corporation will be eligible to vote on Executive Board matters.

Section 5. **Responsibilities and Powers of the Executive Board** – The Executive Board shall have overall supervision, control, and direction of the Institute's affairs. Within the boundaries set forth in the Bylaws, the Executive Board is responsible for establishing and modifying Institute policies. It is also tasked with actively pursuing the Institute's objectives and exercising discretion over the allocation of financial resources. The Executive Board may establish operational rules and regulations and appoint agents as necessary for the execution of its delegated powers. In carrying out its duties, the Executive Board shall focus on the following key functions:

1. Promotion and Representation: Directors shall act as advocates for the Institute, promoting and representing it to key stakeholders, including Original Equipment Manufacturers (OEMs) and National Accounts.
2. Mission and Event Promotion: Directors shall champion the Institute's mission and actively support its events.
3. Attendance: Directors shall attend a minimum of four (4) board meetings annually, either in person or through teleconference, to ensure active participation and engagement.
4. Participation in ETI-Sponsored Events and Meetings: Directors shall participate in ETI-sponsored events and meetings to demonstrate their commitment to the Institute's activities.

5. Nonprofit Corporate Governance: Directors shall adhere to recognized nonprofit corporate governance practices to maintain the integrity and transparency of the Institute's operations.
6. Additional Functions: In addition, the Executive Board shall be responsible for the following:

**Annual Budget Approval:** The annual budget for the Institute shall be prepared by the President of ETI and presented to the Executive Board for review. No budget shall be adopted unless and until such budget has been approved by a majority vote of the Executive Board, and no expenditure shall be made unless it is authorized in a duly-approved budget except in those cases where the expenditure has been expressly approved by the Chairman.

**Major Financial Decisions:** If the President anticipates any financial transaction or commitment that would exceed 5% of the approved annual budget, the President shall promptly notify the Executive Board. In addition to the annual budget, any acquisition or disposition of real property, or any other major financial decision as determined by the Executive Board, must be reviewed and approved by a majority vote of the Executive Board present in a meeting prior to being executed or committed to by the Institute.

**Emergency Provisions:** In cases of emergency where a decision must be made in a timeframe that does not allow for a regular Executive Board meeting, the Chairman may provisionally approve such a decision. However, this decision must be reviewed and ratified by the Executive Board at the earliest opportunity. Should the Executive Board choose not to ratify the decision, corrective actions, as deemed necessary and appropriate by the Executive Board, will be taken.

**Financial Oversight:** The Executive Board shall maintain an active role in the oversight of the Institute's financial affairs to ensure its fiscal responsibility and the long-term sustainability of its

mission. As such, periodic financial reports shall be provided to the Executive Board for review by the President of ETI at intervals determined by the Executive Board.

Section 6. **Fiduciary Responsibilities** – The Executive Board collectively, and the Directors individually, owe fiduciary duties to the Institute. In essence, exercising fiduciary duties means that Directors have a duty to act with care and in the best interest of the Institute and remain loyal to its mission, as opposed to acting in their own interests, the interest of the President of ETI they supervise or in the interest of their own member firm or corporation. Directors shall exercise the following fiduciary duties:

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

**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, and 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.

**Duty to Act in Good Faith:** Each Director is 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.

**Duty of Obedience:** Each Director 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 7. **Meetings** – An annual meeting of the Executive Board shall take place immediately following the annual meeting of members. The Executive Board shall also meet from time to time upon the call of the Chairman and shall be called for a meeting by the Chairman upon the written request of a majority of the members of the Executive Board at such time and place as may be designated. Notice of all meetings of the Executive Board shall be sent to each member of the Executive 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 at least twenty (20) business days before face to face meetings. Meeting notice does not need to specify the business to be transacted or the purpose of the meeting.

The Advisory Board shall meet upon the call of the Vice Chairman or shall be called for a meeting by the Vice Chairman upon the written request of a majority of the members of the Advisory Board at such time and place as may be designated. Notice of all meetings of the Advisory Board members shall be sent to each member of the Advisory Board at the Advisory Board member’s last recorded e-mail address at least five (5) business days before the time appointed for web conference or conference call meetings and at least twenty (20) business days before face to face meetings. The notice does not need to specify the business to be transacted or the purpose of the meeting.

Section 8. **Waiver of Notice** – Attendance of a Director or Advisory Board member at a Board meeting constitutes a waiver of notice of the meeting, except where a Director or Advisory Board

member attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened.

Unless the Executive Board determines otherwise, Executive Board meetings shall only be open to Directors and invited guests.

Section 9. **Quorum** – A majority of the entire Executive Board shall constitute a quorum at any meeting of the Executive 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.

A majority of the entire Advisory Board shall constitute a quorum at any meeting of the Advisory Board. If a quorum is not present, a majority of those Advisory Board members present may adjourn the meeting, from time to time, without further notice until a quorum is present.

Section 10. **Meeting by Communications Equipment** – Board members, whether from the Executive Board or Advisory Board, or any committee established by these Bylaws or by the Executive Board, may participate in an Executive Board, Advisory Board, or committee meeting, as the case may be, using a conference call or similar communication tools if all individuals who are participating in the meeting can communicate with the other participants. Participation in this manner constitutes attendance in person at the meeting.

Section 11. **Action Without a Meeting** – Any action required or permitted to be taken under authorization voted at a meeting of the Executive Board, the Advisory Board, or one of the corporation's committees may be taken without a meeting if, before or after the action, all members of the Executive Board, the Advisory Board, or the committee, as the case may be, consent to the action in writing or by electronic transmission. This written consent will be kept

with the official records of the Executive Board, the Advisory Board, or the committee, as the case may be, and it will have the same effect as if the action had been approved through a formal vote at a meeting for all intents and purposes.

Section 12. **Compensation** – Directors and Advisory Board members, as such, shall not receive any stated compensation for their services as Directors or Advisory Board members; provided, however, that the Executive Board 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 or Advisory Board member from serving the Institute in any other capacity and receiving compensation for such services.

Section 13. **Resignation or Removal** – Any Director or Advisory Board member may resign at any time by giving written notice to the Chairman, the President of ETI, or to the Executive Board. 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 Chairman or the Executive Board. Any Director or Advisory Board member may be removed for cause at any time by a two-thirds (2/3) vote of the Directors present, following notice, at any duly called special meeting of the Executive Board to which the Vice President of Global Growth and Strategy – Elect and the Secretary/Treasurer – Elect would be invited to participate on a non-voting basis, or by the action of the voting members, with or without cause, at any duly called meeting of members. “Cause” for purposes of this section shall mean (1) poor or erratic attendance at Board or committee meetings; (2) breaches of fiduciary duty, where relevant; (3) in the case of an officer, the failure to perform the essential functions and responsibilities of the position; (4) any willful or deliberately harmful or



offensive behavior; (5) repeated disruption of the good order of Board meetings; (6) actions that bring significant adverse or negative publicity to the Institute; (7) any criminal activity; or (8) failure to comply with the Bylaws or with any rules, procedures or policies adopted from time to time by the Executive Board. Any Director or Advisory Board member subject to removal shall be afforded an opportunity to address the Executive Board and present a defense to the allegations of cause for removal. In the event any officer, Director or Advisory Board member should become disassociated with a member firm or corporation 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 Executive Board meetings and all Advisory Board members are expected to attend all Advisory Board meetings. A Director or Advisory Board member's absence will be deemed "Excused" or "Non-Excused" by a simple majority vote of those in attendance at the meeting; provided, however, that if no vote is taken on the matter, the Director's or Advisory Board member's absence shall be deemed to have been "Excused." Having two (2) Non-Excused occurrences in the same calendar year constitutes a resignation.

Section 14. **Vacancy** – In the event of a vacancy in an Officer-Director position, the Vice Chairman shall fill any vacancy in the office of Chairman, the Vice President of Global Growth and Strategy – Elect shall fill any vacancy in the office of the Vice President of Global Growth and Strategy, and the Secretary/Treasurer – Elect shall fill any vacancy in the office of Secretary/Treasurer, each to serve until the next regular election of the membership without vacation of their existing officer positions, which they will continue to hold. In the event of a vacancy in any other Director or Advisory Board position, the vacancy shall be filled by the Nominating Committee with ratification by the Executive Board until the next regular election of the membership. The person who fills

the vacancy must meet the required qualifications for the position. If the Vice Chairman is unable or unwilling to complete the vacated term of the Chairman, the Immediate past Chairman will be asked to serve as Chairman until the next regular election of the membership. In the event that a vacancy in any Officer Director position cannot be filled by the process described above, the vacancy shall be filled by the Nominating Committee, subject to ratification by the Executive Board, and shall serve until the next regular election of the membership or until his or her earlier resignation or removal. The person who fills the vacancy must meet the required qualifications for the position.

## **ARTICLE VII**

### **OFFICERS**

Section 1. **Officers** – The officers of the Institute shall be the Chairman of the Executive Board, Vice Chairman, Vice President of Global Growth and Strategy, and the Secretary/Treasurer, and such other officers as the Executive Board may deem necessary or appropriate. Every second year, commencing on the first day of the month following the annual meeting of the members, the then-serving Vice Chairman shall become the Chairman, the then-serving Vice President of Growth and Strategy - Elect shall become the Vice President of Growth and Strategy, and the then serving Secretary/Treasurer-Elect shall become the Secretary/Treasurer, all without the necessity of any action by the Executive Board or the members. At the discretion of the Executive Board, any candidate for the office of Secretary/Treasurer or Elect Secretary/Treasurer may be required, prior to election, to pass a minimum capabilities test for confirmation of his/her financial acumen. The officers of the Institute shall also consist of the Elect Officers described in Section 9 below, each of who shall be elected by members at each second annual meeting of the members.

Section 2. **Term of Office** – Each officer shall take office the first day of the month following the annual meeting of members and shall serve for a term of two years and until the first day of the month following the most recent annual meeting of members, when his or her successor shall take office, or until his/her earlier resignation or removal.

Section 3. **Removal** – Any officer of the Institute may be removed by the members at any time and for any reason, or may be removed by the Executive Board for cause in the same manner as that set forth for removal of a Director in Article VI, Section 13 above. Any officer facing removal for cause by the Executive Board shall be afforded the opportunity to address the Executive Board

and present a defense to the allegations of cause for removal. The removal of an officer shall be deemed to constitute a concurrent removal of the person as a Director and, in the case of the Vice Chairman, a removal of the person from the Advisory Board.

Section 4. **Vacancy** – Any vacancy in an officer position shall be filled in the manner described in Article VI, Section 14 above; provided, however, that in the event of a vacancy in the office of Vice President of Global Growth and Strategy filled by the Vice President of Global Growth and Strategy – Elect, or in the case of a vacancy in the office of Secretary/Treasurer filled by the Secretary/Treasurer-Elect, the individual filling the vacancy shall continue to serve in his or her officer elect position until the next regular election of the membership.

Section 5. **Chairman** – The Chairman of the Executive Board for the Institute shall preside at meetings of the members of the Institute and of the Executive Board and the Executive Committee and shall be a member, with right to vote, on all committees except the Nominating Committee (unless randomly selected to serve as provided in Article IX, Section 3). 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 Executive Board, 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 Chairman or as may be specified by the Executive Board. The Chairman shall be responsible for ensuring (to the best of his or her ability) the implementation of the policies of the Institute as determined by the Executive Board. The Chairman shall supervise the activities of the Institute and the management thereof by the President of ETI. Upon expiration of his/her term as

Chairman, the immediate past Chairman is eligible to be elected as an At-Large Advisory Board Member, but shall not be eligible for election as an At Large Director or as Vice Chairman, Vice President of Global Growth and Strategy – Elect or as Secretary/Treasurer-Elect until the lapse of two full years after service as Chairman.

*Key Functions/Responsibilities*

- Chairman of the Executive Board
- Represent the Institute as the Chairman
- Oversee the Executive Board meetings
- Sit as an elective officer on ETI's Executive Committee
- Attend 4 board meetings per year in person or via teleconference (unless excused by action of the Board)
- 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.

Section 6. **Vice Chairman** – The primary duties of the Vice Chairman are to chair the Advisory Board and the Program Committee. The Vice Chairman will work with the Executive Board and staff to create an agenda and overall plan for approval by the Executive Board at the next term's annual meeting. The Vice Chairman shall have such other duties as may be specified by the Executive Board. The Vice Chairman follows the Chairman in succession.

*Key Functions/Responsibilities*

- Succeed to the office of Chairman at such time as the office of Chairman may become vacant
- Chair the Program Committee and support the President of ETI and help plan the upcoming annual meeting including agenda and overall event planning

- Support the President of ETI in selecting a venue for the up-coming annual meeting (Tool Tech)
- Fill in for the Chairman 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 (unless excused by the President)
- 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.

Section 7. **Vice President of Global Growth and Strategy** – The primary duty of the Vice President of Global Growth and Strategy is to define, develop, and implement growth strategies supporting the President of ETI. The VP of Global Growth and Strategy will work with the Executive Board and staff to support the President of the ETI in guiding the Institute's growth strategies and drive support for the Annual Meeting (Tool Tech) and Tech Week events. The VP of Global Growth and Strategy shall have such other duties as may be specified by the Executive Board.

*Key Functions/Responsibilities*

- Support the President of ETI in defining and implementing growth strategies
- Fill in for the Vice Chairman 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 (unless excused by the President)

- Attend ETI sponsored events and meetings
- Adhere to generally accepted nonprofit corporate governance – Directors’ fiduciary responsibilities.

Section 8. **Secretary/Treasurer** – The Secretary/Treasurer shall take minutes of all Executive Board meetings or appoint an ETI staff member to take such minutes and notes and submit them to the Executive Board after reviewing them. The Secretary/Treasurer shall review the ETI financials, including profit and loss statements, balance sheet, disbursements, and the President of ETI expense reports on a monthly basis, compare it to the budget, and report any significant deviation or concern to the Executive Board. The duties of the Secretary/Treasurer, with the approval and at the direction of the Executive Board, may be assigned in part to the President of ETI. The Secretary/Treasurer shall have such other duties as may be specified by the Executive Board.

*Key Functions/Responsibilities*

- Take minutes for all member and Executive Board 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
- Approve reimbursement of expenses of the President of ETI
- Oversee the expenditures of the institute and President of ETI
- 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 (unless excused by the President)
- Attend ETI sponsored events and meetings

- Adhere to generally accepted nonprofit corporate governance – Directors’ fiduciary responsibilities.

Section 9. **Elect Officers** – The Vice President of Global Growth and Strategy-Elect, and the Secretary/Treasurer-Elect (together, the “Elect Officers”) shall provide assistance to, and serve under the general supervision and direction of, the Vice President of Global Growth and Strategy and Secretary/Treasurer (who, together with the Chairman and Vice Chairman, shall constitute the “Regular Officers”), respectively, with the intent that such service provide opportunities for training to the Elect Officers to appropriately equip them to serve as successor Regular Officers upon completion of the Regular Officers’ two-year terms of service.



## ARTICLE VIII

### PRESIDENT OF ETI

Section 1. **Description and Authority** – The President of ETI is the administrator and general manager of the Institute. This shall be a salaried position employed and appointed by the Executive Board. He/she shall be responsible to the Chairman and the Executive Board. He/she shall have the authority to execute contracts on behalf of the Institute as appropriate for the position or when approved by the Executive Board. He/she shall have the title of President of ETI or such other title as the Executive Board 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 Executive Board.

### Section 2. **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, Executive Board members, committees and partnering organizations. Promote active and broad participation by volunteers in all areas of the Institute's work, especially the Institute's vertical groups.
  
- Maintain, and support a strong Executive Board and Advisory Board. Serve as a voting member of each committee, seek and build Executive Board member involvement with strategic direction for all ongoing activities and projects.
  
- Provide leadership in developing program, organizational and financial plans with the Executive Board and staff, and carry out plans and policies authorized by the Executive 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.
- Work with the Executive Committee to select locations for all events.

*Financial and Legal:*

- Be responsible for developing and maintaining sound financial practices.
- Work with the staff, the Finance Committee, and the Executive Board in preparing an annual budget and a three year rolling forecast; see that the Institute operates within budget guidelines.
- Ensure that adequate funds are available to permit the Institute to carry out its work.
- Jointly, with the Chairman and Secretary-Treasurer, conduct official correspondence of the Institute, and jointly, with designated officers, execute legal documents.

It is the duty of the President of ETI to inform the Executive Board within 5 business days of any of the following occurrences.

- ETI's cash reserves fall below 50% of the annual operating budget.
- A month-to-month reduction in members exceeding 20%.
- Any singular financial transaction or obligation exceeding 5% of ETI's yearly budget.
- A forecasted annual net income loss.
- Adjustments in year-over-year financial projections that predict a dip in either revenue or net income by over 10% relative to the preceding year.
- Hiring of additional Institute personnel that increase ongoing headcount.

*Communications:*

- See that the Executive Board is kept fully informed on the condition of the organization and all important factors influencing it.
- Publicize the activities of the Institute, 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 IX**

### **COMMITTEES**

Section 1. **Appointment** – The Institute shall at all times maintain three standing committees, an Executive Committee, a Nominating Committee, and a Program Committee. The Chairman, subject to the approval of the Executive Board, may from time to time appoint such additional or special committees or subcommittees as he/she may find necessary or appropriate.

Section 2. **Executive Committee** – The Executive Committee shall be comprised of the officers of the Institute, the President of ETI, and the option of one other Director as elected by the Executive Board. The Executive Committee members may exercise the powers of the Executive Board when the Executive Board is not in session, reporting to the Executive Board at its next meeting any action taken.

Section 3. **Nominating Committee** –The Nominating Committee shall consist of a total of seven members, four of whom shall be selected from among the Executive Board and three of whom shall be selected from among the Advisory Board. Each year, at least three months prior to the annual meeting of members, the President of ETI shall, through a random selection process witnessed by the Executive Board, identify four members from among the Executive Board and three members from among the Advisory Board for positions on the Nominating Committee. The Nominating Committee as so comprised shall appoint its own chair. The responsibility of the Nominating Committee shall be to nominate candidates for elected Directors, Advisory Board members, and officers. Suggestions for nominations may be submitted by any member to the Nominating Committee provided such suggestions are received by the Nominating Committee no

later than seventy-five (75) days prior to the annual meeting of the members. The Nominating Committee shall consider all names timely submitted to it, but is not limited to those names and may consider other names as well. The Nominating Committee shall report the names of the candidates it proposes for nomination to the Chairman sixty (60) days prior to the annual meeting of the members. The Chairman will bring this slate to the Executive Committee or Executive Board for confirmation and send the confirmed slate to the President of ETI to post.

All nominees for elected office must be a member or in the active employ of a member firm or company and such nominees must have the approval of the nominee's employer prior to the time of election.

Section 4. **Program Committee** –The Program Committee will support and advise the ETI President on the location, selection, timing, agenda, and planning (including speaker identification and booking) of the annual Tooltech Meeting. The committee shall consist of the Vice Chairman, who shall serve as the committee chair, along with the President of ETI or his/her designee and four other committee members appointed by the Vice Chairman. Unless otherwise directed by the Executive Board, the President of ETI shall have sole decision-making authority as to the location and timing of the annual ETI Tooltech Meeting.

Section 5. **Quorum, Taking Action** – A majority of the voting members of the committees shall constitute a quorum for the transaction of committee business, and the vote of a majority of those committee members present where a quorum has been established shall constitute the action of the committee. Committee meetings may be called by the committee chairman or by any three committee members giving at least twenty (20) days' notice of the meeting.

Section 6. **Committee Limitations** – No committee shall exercise the powers and prerogatives of the Executive Board unless such committee shall consist exclusively of Directors of the Institute. No committee shall have the power or authority to amend the Articles of Incorporation or Bylaws of the Institute, adopt an agreement of merger or consolidation, recommend to members the sale, lease, or exchange of all or substantially all of the Institute property and assets, recommend to members a dissolution of the Institute or a revocation of a dissolution, fill vacancies in the Executive Board or Advisory Board (except that the Nominating Committee may do so subject to approval of the Executive Board), fix the compensation of Directors or Advisory Board members for serving on the Executive Board or Advisory Board or on a committee, or terminate membership.

Section 7. **Rules** – Each committee may adopt rules for its own governance not inconsistent with these bylaws or with rules adopted by the Executive Board.

## **ARTICLE X**

### **MISCELLANEOUS**

Section 1. **Membership Voting** – Whenever, in the judgment of the Executive Board, 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 thirty (30) days after such submission to the membership, provided that in each case, votes of at more than one half (1/2) of members must be received and more than 1/2 of those votes must concur.

Section 2. **Notices** – Whenever any written notice is required to be given under the provisions of any law, the Articles of Incorporation or by these Bylaws, it shall not be construed or interpreted to mean personal notice, unless expressly so stated, and any notice so required shall be deemed to be sufficient if given in writing by mail, by depositing the same in a post office box, postage prepaid, addressed to the person entitled thereto at his or her address as it appears in the records of the Institute. Such notice shall be deemed to have been given at the time and on the day of such mailing. When a notice or communication is permitted to be given in writing, electronic transmission is written notice. When a notice or communication is permitted by Illinois law to be transmitted electronically, the notice or communication is given when electronically transmitted to the person entitled to the notice or communication in a manner authorized by the person. All notices given in writing by mail shall also be transmitted electronically to the extent email addresses are available; provided, however, that any failure on the part of the Institute to do so

shall not constitute a defect in notice where notice has otherwise been provided by mail as set forth in this Section 2.

Section 3. **Waiver of Notice** – Whenever any notice is required to be given under the provisions of any law, or the Articles of Incorporation or these Bylaws, 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.

Section 4. **Contracts** – The Executive Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Institute, and such authority may be general or confined to specific instances.

Section 5. **Loans** – No loans shall be contracted on behalf of the Institute, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Executive Board. Such authorization may be general or confined to specific instances.

Section 6. **Checks** – All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Institute shall be signed by such officer or officers, agent or agents of the Institute and in such manner as shall from time to time be determined by resolution of the Executive Board.

Section 7. **Deposits** – All funds of the Institute, not otherwise employed, shall be deposited to the credit of the Institute in such banks, trust companies or other depositories as the Executive Board may select.



Section 8. **Fiscal Year** – The fiscal year shall be as determined by the Executive Board.

Section 9. **Regular Financial Reporting** - The President of ETI shall submit a detailed financial report to the Executive Board on a quarterly basis. The report should, at a minimum, feature: (i) a balance sheet illustrating assets, liabilities, and equity; (ii) an income statement enumerating revenues, expenses, and the resultant profit or loss; (iii) an overview of member dues and any alterations in membership figures; (iv) forecasts of potential financial risks or prospects for the ensuing quarter; (v) an analysis of how ETI's investment in staff augments value for its members.

The Executive Board is to fulfill its fiduciary responsibilities by reviewing and approving the report in a scheduled board meeting. The Executive Board may modify the requirements in this Article X, Section 9 by majority vote at any time.

Section 10. **Seal** – The Institute shall have a seal of such design as the Executive Board may adopt, and it may be used by the members in accordance with the rules as may be adopted by the Executive Board.

Section 11. **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 Executive Board.

Section 12. **Indemnification** – The Institute shall indemnify and hold harmless each person who is now or shall hereafter serve as a Director, Advisory Board member, 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, Advisory Board member, 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, Advisory Board member, 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, Advisory Board member, 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 Executive Board 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 13. **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, Advisory Board member, 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 XI**

### **AMENDMENTS TO THE BYLAWS**

These Bylaws may be amended by affirmative action of a 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 fifteen (15) 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 fifteen (15) business days before such ballots are due to be returned for counting.