

BYLAWS OF INSTITUTE FOR SUPPLY MANAGEMENT – SOUTHEAST MICHIGAN, INC.

ARTICLE I

NAME AND LOCATION

SECTION 1. Name. The name of this Chapter shall be Institute for Supply Management – Southeast Michigan, Inc., a nonprofit corporation organized and existing by virtue of the laws of the State of Michigan (hereinafter referred to as the “Chapter”).

SECTION 2. Location. The principle office of the Chapter shall be located at such place within Metro Detroit, Michigan as may be determined by the Board of Directors.

ARTICLE II

PURPOSES

The Chapter is a nonprofit corporation organized and operated not for pecuniary profit, but exclusively for educational purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code (hereinafter referred to as the “Code”) and in this connection, the purposes for which the Chapter is organized and operated are as follows:

- (1) To foster and promote ongoing exchange of ideas and cooperation among its members.
- (2) To promote the study, development and application of supply management, including improved procurement or purchasing methods and practices and all matters related to the foregoing (hereinafter referred to as “the supply management profession”).
- (3) To collect and disseminate by all lawful means information of interest and benefit to its members, including surveys and reports of current business trends and other information of interest to the supply management profession.
- (4) To sponsor, promote and encourage a professional certification program for persons engaged in the supply management profession.
- (5) To encourage and cooperate in the institution and development of educational opportunities on the subject of supply management and all matters related thereto.
- (6) To strive by all lawful means to promote and enhance the supply management profession.

- (7) To be affiliated with the Institute of Supply Management[®], Inc. (“ISM”).
- (9) To cooperate, collaborate, and exchange information by lawful means with professional, trade and other associations and organizations of persons engaged in the supply management profession with governmental agencies and the public in general.
- (10) To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof and not for the pecuniary profit or financial gain of its members, directors or officers, except as otherwise permitted by law.

In the accomplishment of these purposes, it shall be the policy of the Chapter to comply at all times with all existing and future laws, including the antitrust laws and in furtherance of this policy, no activity or program shall be sponsored or conducted by or within the Chapter which in any manner whatsoever shall represent or be deemed a violation of any existing or future law, including the antitrust laws, all in accordance with, as applicable, the *ISM Antitrust Statement* at <https://www.ismworld.org/footer/terms-conditions/>, as amended from time to time by the Board of Directors of ISM.

ARTICLE III

AFFILIATION WITH ISM

SECTION 1. General. The Chapter shall be affiliated with ISM in accordance with the procedures set forth in the ISM Bylaws and Chapter Affiliation Agreement. Chapter shall comply at all times with the ISM Board of Directors’ Policies (“ISM Policy”) as they may be adopted from time to time by the ISM Board of Directors and the provisions of this Article III.

SECTION 2. Conditions of Affiliation. The Chapter shall be obligated as a condition of affiliation with ISM to comply with the Chapter Affiliation Agreement, including but not limited to, the following:

- (a) To be incorporated as a nonprofit corporation in accordance with the laws of the State of Michigan and to be validly existing and in good standing during the period of its affiliation with ISM.
- (b) To cause these Bylaws to conform at all times during the period of its affiliation with ISM with the ISM Bylaws and ISM Policy in all material respects, including without limitation, the provisions of these Bylaws with respect to the purposes of the Chapter and eligibility for membership.
- (c) Chapter shall provide its membership with the opportunity to earn no less than eight (8) continuing education hours annually, as part of the member benefits derived from the chapter dues.

- (d) To comply at all times with ISM Policy as it may be adopted from time to time by the ISM Board of Directors, including without limitation, the *ISM Antitrust Statement*.

SECTION 3. Suspension or Termination of Affiliation. The affiliation with ISM of the Chapter may be suspended or terminated as set forth in section 7 of the executed Chapter Affiliation Agreement. Any suspended or terminated Chapter may be reinstated by the Board at any time subsequent to such suspension or termination upon a review thereof by ISM and proper showing of good cause to justify a reinstatement of affiliation with ISM.

ARTICLE IV

MEMBERSHIP

SECTION 1. Members. Any person interested in the supply management field shall be eligible to be a member provided such person is a member of ISM except as permitted in ISM Policy.

SECTION 2. Expulsion of Members.

- (a) Members may not be terminated except for nonpayment of dues, failure to meet the eligibility requirements for a member, or as may be set forth in ISM Policy.
- (b) ISM shall have the exclusive right to admit, terminate or reinstate a member who is not a member of a Chapter and Chapters shall have the right to deny and/or terminate a member who is a member of a Chapter, however, in all cases such actions shall be in accordance with ISM Policy enacted to assure fairness and appropriate review of any denial or termination of a member.
- (c) Expulsion for any reason other than nonpayment of dues shall occur only after the member has been advised of the proposed expulsion and the reasons therefore and has been given an opportunity to submit proof in support of continued membership in the Chapter. A member expelled from membership in the Chapter shall be given written notice of such expulsion and shall be advised in writing that he or she may appeal the action taken by the Chapter to ISM by filing a notice of intent to appeal to ISM.
- (d) Upon receipt of a timely filed notice of appeal, ISM shall consider the appeal and shall allow the expelled member the opportunity to submit proof in support of continued membership in the Chapter. The decision of ISM concerning expulsion of a member shall be final and binding.

SECTION 3. Reinstatement. A former member of the Chapter, whether a resigned or expelled member desiring reinstatement of membership, may be reinstated as a member of the Chapter upon showing proof of eligibility and paying all current-year's dues.

SECTION 4. Resignation. Any member of the Chapter may resign by filing a written resignation with the Chapter, but such resignation shall not release the member so resigning of the obligation to pay any dues or other charges theretofore accrued but unpaid.

SECTION 5. Transfer of Membership. Membership in the Chapter shall be vested in the individual member of the Chapter; however, membership may be transferred pursuant to the ISM Policy Manual.

ARTICLE V

CHAPTER DUES

SECTION 1. Amount. The amount of annual dues for members shall be determined from, time to time, by the Chapter Board of Directors. Annual dues for members of the Chapter shall include an amount equal to the annual dues in effect from time to time for membership in ISM.

SECTION 2. Payment. Member dues are assessed on the anniversary date and collected by ISM.

SECTION 3. Nonpayment of Dues. A member of the Chapter whose dues are not paid by the existing expiration date, may be expelled from membership in the Chapter and ISM. A member expelled from membership for nonpayment of dues may be reinstated upon full payment of all dues.

ARTICLE VI

MEETINGS OF THE CHAPTER MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the Chapter membership shall be held in November or December of each year. At each annual meeting, officers and directors shall be elected and any other business shall be transacted that may come before the meeting.

SECTION 2. Special Meetings. The President or the Board of Directors may call a special meeting of the members. The President or authorized officer shall call a special meeting of the membership upon the written request of at least 10% of the members specifying the purpose of the meeting.

SECTION 3. Place of Meetings. All membership meetings shall be held at any place determined by the Board of Directors and stated in the notice of the meeting.

SECTION 4. Notice of Meetings. Except as otherwise provided by law, written notice of the time, place, and purposes of a membership meeting shall be given not less than 10 days nor more than 60 days before the date of the meeting. Notice shall be given either personally, by mail, or by electronic transmission to each member of record entitled to vote at the meeting.

SECTION 5. Record Dates. The Board of Directors may fix in advance a record date for the purpose of determining members entitled to notice of and to vote at a membership meeting or an adjournment of the meeting, or to express consent to or to dissent from a proposal without a meeting, or for the purpose of any other action. The date fixed shall not be more than 60 days nor less than 10 days before the date of the meeting, nor more than 60 days before any other action. If the vote is by ballot under Article VI, Section 10, the record date shall be not more than 60 nor less than 20 days before the last date on which the Chapter must receive the ballots for them to be counted.

SECTION 6. List of Members. The Secretary of the Chapter or the agent of the Chapter having charge of the membership records of the Chapter shall make and certify a complete list of the members entitled to vote at a membership meeting or any adjournment. The list shall be arranged alphabetically with the address of each member, be produced at the time and place of the membership meeting, be subject to inspection by any members during the whole time of the meeting, and be prima facie evidence of the members entitled to examine the list or vote at the meeting.

SECTION 7. Quorum. Unless a greater or lesser quorum is required by law, members present in person or by proxy who, as of the record date, represented 5% of the members entitled to vote at a membership meeting shall constitute a quorum at the meeting. Whether or not a quorum is present, the meeting may be adjourned by vote of the members present.

SECTION 8. Proxies. A member entitled to vote at a membership meeting or to express consent or dissent without a meeting may authorize other persons to act for the member by proxy. A proxy shall be signed by the member or the member's authorized agent or representative and shall not be valid after the expiration of three years, unless otherwise provided in the proxy. A proxy is revocable at the pleasure of the member executing it except as otherwise provided by law.

SECTION 9. Voting. Each member is entitled to one vote on each matter submitted to a vote. A vote may be cast either orally or in writing. When an action, other than the election of directors, is to be taken by a vote of the members, it shall be authorized by a majority of the votes cast by the members entitled to vote, unless a greater vote is required by law. Directors shall be elected by a plurality of votes cast at any election.

SECTION 10. Action by Ballot. Any action the members are required or permitted to take at an annual or special meeting, including the election of officers and directors, may be taken without a meeting by providing a ballot to each member that is entitled to vote on the action in

the manner provided in Article VI, Section 4 above for providing notice of meetings of members. The ballot provided to members shall: (a) set forth each proposed action; (b) provide an opportunity for the members to vote for or against each proposed action; and (c) specify a time by which the Chapter must receive a ballot in order to be counted as a vote of the member. The time specified shall be not less than 20 or more than 90 days after the date the Chapter provides the ballot to the members. An action is considered approved by the members by ballot if the total number of members voting or the total number of member votes cast in ballots received by the Chapter by the time specified in the ballots equals or exceeds the quorum required to be present at a meeting to take the action, and the number of favorable votes equals or exceeds the number of votes that would be required to approve the action at a meeting at which the number of votes cast by members present was the same as the number of votes cast by ballot. Except as otherwise provided in the Articles of Incorporation of the Chapter, an invalid ballot, an abstention, or the submission of a ballot marked "abstain" with respect to any action does not constitute a vote cast on that action. If holders of at least 10% of the member votes submit a proposal for action by the members, the Chapter shall include the proposed action in a ballot and submit that ballot to the members as provided in this Section 10.

SECTION 11. Meeting by Telephone or Similar Equipment. A member may participate in a membership meeting by conference telephone or any similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 11 constitutes presence in person at the meeting.

SECTION 12. Order of Business. At any meeting of the Chapter membership, the order of business shall be as stated on the agenda for the meeting furnished with the notice of such meeting required by this Article VI.

SECTION 13. Parliamentary Rules. At all meetings of the Chapter, including meetings of the Board of Directors, conduct of the meeting shall be done in accordance with Robert's Rules of Order when not in conflict with these Bylaws. Parliamentary Order shall be maintained by the President, or in the absence of the President, by the Vice President.

ARTICLE VII

OFFICERS

SECTION 1. Officers. The officers of the Chapter shall be the President, Vice President, Secretary, and Treasurer. All officers of the Chapter must be employed in the supply management field. Retired practitioners (within 3 years) and academics may be considered for officer positions. The officers shall each be a director of the Board of Directors. Two or more offices may be held by the same person, but such person shall not execute, acknowledge, or verify an instrument in more than one capacity if the instrument is required by law or by the

President or by the Board of Directors to be executed, acknowledged, or verified by two or more officers.

SECTION 2. Term of Office. Term of office for all elected officers shall be as follows:

<u>Title</u>	<u>Term</u>
President	1 year
Vice President	1 year
Secretary	1 year
Treasurer	1 year

SECTION 3. Term Limits. President and Vice President officers are limited to a term of not more than 4 consecutive years in each office and may not serve more than an aggregate of 8 years in the positions of President and Vice President in any 10 consecutive year period.

SECTION 4. Election. The officers shall be elected by the members at the annual meeting held in accordance with Article VI of these Bylaws.

SECTION 5. Immediate Past President. In the year immediately following the last year of a President's term or consecutive terms as President, the President shall serve as advisor to the President and the Board of Directors.

SECTION 6. Duties of President. The President shall be chief executive officer and chairman of the Board of Directors, and shall exercise general supervision over the executive affairs of the Chapter. He or she shall preside at all meetings of the Chapter membership and of the Board of Directors and shall be a member, ex officio, of all Chapter committees. The President shall have, in addition, the duties made incumbent upon the office by any other provision of these Bylaws and which may be assigned by the Board of Directors.

SECTION 7. Duties of Vice President. The Vice President shall perform such duties as assigned from time to time by the President. In the event of permanent or temporary inability of the President to perform the duties of the office resulting from illness, absence or any other cause, the Vice President shall perform all duties of the office of President until such time as the incumbent is able to resume the duties of the office. If the President is permanently unable to perform the duties of the President, the Vice President assumes the Presidency of the Chapter in accordance with Article VII, Section 6, Duties of President. In the event that both the President and Vice President are unable to fulfill the duties of the President, the Treasurer shall temporarily assume the position of President, and shall call for a special election to fill these officer positions for the balance of the term.

SECTION 8. Duties of Secretary. The Secretary shall be responsible for the following:

- (a) The recording and distribution of minutes of the meetings of the Board of Directors and members of the Chapter.

- (b) The serving or publication of all notices required by law or these Bylaws concerning any meeting or any other matter applicable to the Chapter.
- (c) The custody of all Chapter corporate records.
- (d) The keeping of a register of the names and contact information of each member, officer, and director.
- (e) Performing such other duties in the maintenance of the Chapter as may be assigned from time to time by the President.

SECTION 9. Duties of Treasurer. The Treasurer shall be responsible for the following:

- (a) The custody of all Chapter funds and securities.
- (b) The maintenance of a full and accurate account of all receipts and disbursements in the books belonging to the Chapter.
- (c) The deposit of all Chapter funds in the name and to the credit of the Chapter in such depositories as may be designated by the Board of Directors.
- (d) The disbursement of the funds of the Chapter by check countersigned by an authorized officer of the Chapter
- (e) Filing appropriate federal, state, and local tax forms of the Chapter as required by law.
- (f) Rendering to the Board of Directors and members of the Chapter upon request, but at least annually, a summary of financial transactions and of the financial condition of the Chapter.
- (g) Performing such other duties in the maintenance of the Chapter as may be assigned from time to time by the President.

ARTICLE VIII

BOARD OF DIRECTORS

SECTION 1. Authority and Responsibility. The governing body of the Chapter shall be the Board of Directors. The Board of Directors shall have general charge, management and control of the affairs, funds and properties of the Chapter and, subject to the provisions of these Bylaws and any contrary statement of policy enacted by vote of the members of the Chapter,

shall have authority to take such action in matters of policy and procedure as, in its judgment, will best promote the interests and welfare of the Chapter, including authority to promulgate, amend or rescind in whole or in part all statements of Chapter policy as they may exist from time to time.

SECTION 2. Membership. The Board of Directors must, at all times during their board service, be current active members and in good standing in both ISM and the Chapter. The Board of Directors shall consist of not less than 5 nor more than 13 directors as shall be fixed from time to time by the Board of Directors. The elected officers of the Chapter shall each automatically be a director. The remaining directors shall be elected as provided in Article VIII, Section 3 below.

SECTION 3. Election. The directors shall be elected by the members of the Chapter at their annual meeting in accordance with Article VI of these Bylaws.

SECTION 4. Term of Office. Directors shall be elected for a term of 2 years, not to exceed 8 consecutive years, unless the member joined the board to fill a vacancy, in which case such director may serve a maximum of 10 consecutive years on the Board of Directors. A member that leaves the Board of Directors due to term limits as set forth above is able to rejoin the Board of Directors after a break in service of no less than 4 consecutive years, but may not serve more than an aggregate of 10 years in any 14 consecutive year period. Should an elected director decide to run for a position as an officer of the Chapter before completion of the director's 2 year term, the director relinquishes by such candidacy the directorship. The position is then available for new candidates to 2 year term during that same election. Each year of a member's service as a director by virtue of being an elected officer of the Chapter shall not count against the term limits for directors set forth in this Section 4.

SECTION 5. Resignation. Any director may resign at any time by providing written notice to the Chapter. The resignation will be effective on receipt of the notice or at a later time designated in the notice. A successor shall be appointed as provided in Article VIII, Section 7 of these Bylaws.

SECTION 6. Removal. Any director may be removed with cause by the remaining directors on the Board of Directors.

SECTION 7. Vacancies. Should an elected director be unable to serve to the end of the director's term, the President shall appoint a member, eligible for office, as a director, with the approval of the remaining Board of Directors. The interim director shall serve until the next regular election. At that time, an interim director may run for election by the membership for a full 2 year term.

SECTION 8. Annual Meeting. An annual meeting shall be held each year in November immediately after the annual membership meeting. If the annual meeting is not held at that

time, the Board of Directors shall cause the meeting to be held as soon thereafter as is convenient.

SECTION 9. Regular and Special Meetings. There will be at least 4 regular meetings per calendar year held at the time and place as determined by the Board of Directors. Special meetings as well as regular meetings will be announced at least 1 week prior to the meeting. Notification will be either in writing or by phone if necessary. Special meetings of the Board of Directors may be called by the President or any two directors at a time and place as determined by those persons authorized to call special meetings.

SECTION 10. Statement of Purpose. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice for that meeting.

SECTION 11. Waiver of Notice. The attendance of a director at a meeting of the Board of Directors shall constitute a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. In addition, the director may submit a signed waiver of notice that shall constitute a waiver of notice of the meeting.

SECTION 12. Meeting by Telephone or Similar Equipment. Any one or more members of the Board of Directors or of any committee thereof, may participate in a meeting of the Board of Directors or committee by means of a conference telephone or similar equipment which enables all persons participating in the meeting to hear one another at the same time. Participation by such means shall constitute presence in person at such a meeting.

SECTION 13. Quorum and Voting. A majority of the directors then in office constitutes a quorum for the transaction of any business at any meeting of the Board of Directors. Actions voted on by a majority of directors present at a meeting where a quorum is present shall constitute authorized actions of the Board of Directors.

SECTION 14. Consent to Corporate Actions. Any action required or permitted to be taken pursuant to Board of Directors authorization may be taken without a meeting if, before or after the action, all directors consent to the action in writing. Written consents shall be filed with the minutes of the Board of Directors.

ARTICLE IX

COMMITTEES

SECTION 1. Standing Committees. The following standing committees shall be established within the Chapter:

- (a) Membership Committee

- (b) Education/Professional Development Committee
- (c) Nominating Committee
- (d) Finance Committee

The Board of Directors of the Chapter shall authorize from time to time additional committee(s) as Standing Committee(s) whenever in the sole judgment such action is deemed necessary.

SECTION 2. Special Committees. The President, with the approval of the Board of Directors of the Chapter, shall appoint such other special committees, subcommittees or task forces as may be deemed necessary and which are not in conflict with other provisions of these Bylaws. The duties of any such special committee shall be prescribed by the Board of Directors upon their appointment.

SECTION 3. Meetings. Committees shall meet as directed by the Board of Directors, and their meetings shall be governed by the rules provided in Article VI, Section 13 for meetings of the Board of Directors. Minutes shall be recorded at each committee meeting and shall be presented to the Board of Directors.

SECTION 4. Nominating Committee. A Nominating Committee of at least three (3) members shall be appointed by the Board of Directors at least sixty (60) days prior to the annual meeting in November or December of each year. Not more than two (2) member(s) of this committee shall be a member of the Board of Directors. The Nominating Committee shall select a suitable number of nominees for each office and directorship to be filled. This list of nominees is to be filed with the Secretary of the Chapter and distributed to the membership at least fourteen (14) days prior to the date of the election. The Nominating Committee shall also be responsible for conducting the election procedures.

Any one or more members acting jointly, may present to the Secretary not later than 5 days prior to the election, the names of any candidates whom they wish to nominate and the respective offices for which they are nominated. No written notice of additional candidates to the membership is required; however, the final ballot shall include such additions without prejudice.

SECTION 5. Finance Committee. The Finance Committee shall consist of the President, Vice President, Secretary, and Treasurer. The Treasurer shall preside as chairman. This committee must meet two (2) times per year as called by the chairman. This committee shall have audit authority over all Chapter activities and transactions.

ARTICLE X

COMPENSATION

When authorized by the Board of Directors, a person shall be reasonably compensated for services rendered to the Chapter as an employee, agent, or independent contractor, except as prohibited by these Bylaws. Chapter directors and officers will not be compensated for their involvement as a director or officer of the Chapter. The Chapter may, at its sole discretion, elect to reimburse directors and officers for reasonable expenses incurred while acting on behalf of the Chapter.

ARTICLE XI

FINANCES

SECTION 1. Fiscal Year. The fiscal year of the Chapter shall begin on January 1 of each year and terminate on December 31 of the same year.

SECTION 2. Appropriations. If desired, provisions concerning expenditures of Chapter funds and permitted investments may be set forth in accordance with local law requirements.

ARTICLE XII

DISSOLUTION

SECTION 1. Dissolution. The Chapter may be dissolved upon adoption of a plan of dissolution and distribution of assets adopted by the Board of Directors and approved by the members of the Chapter in accordance with the Nonprofit Corporation Act of the State of Michigan, as amended from time to time.

SECTION 2. Dedication of Funds. Upon dissolution and approval of the members of the Chapter, 50% of remaining Chapter assets may be donated to ISM to further the ISM purpose. The remaining assets of the Chapter must be donated to a nonprofit organization to further one or more aspects of the tax-exempt missions of the Chapter with the approval of the Chapter Board of Directors.

ARTICLE XIII

INDEMNIFICATION

SECTION 1. Nonderivative Actions. Subject to all of the other provisions of this Article XIII, the Chapter shall indemnify any person who was or is a party or is threatened to be made a

party to any threatened, pending, or completed action, suit, or proceeding. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the corporation). Such indemnification shall apply only to a person who was or is a director or officer of the Chapter, or who was or is serving at the request of the Chapter as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by them in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Chapter or its members. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe their conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Chapter or its members or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that their conduct was unlawful.

SECTION 2. Derivative Actions. Subject to all of the provisions of this Article XIII, the Chapter shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action or suit by or in the right of the Chapter to procure a judgment in its favor because (a) the person was or is a director or officer of the corporation or (b) the person was or is serving at the request of the Chapter as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Chapter or its members. However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the Chapter unless and only to the extent that the court in which the action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

SECTION 3. Expenses of Successful Defense. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 or 2 of this Article XIII, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this Article XIII.

SECTION 4. Contract Right; Limitation on Indemnity. The right to indemnification conferred in this Article XIII shall be a contract right and shall apply to services of a director or officer as an employee or agent of the Chapter as well as in such person's capacity as a director or officer. Except as provided in Section 3 of this Article XIII, the Chapter shall have no obligations under this Article XIII to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the Board of Directors.

SECTION 5. Determination That Indemnification Is Proper. Any indemnification under Sections 1 or 2 of this Article XIII (unless ordered by a court) shall be made by the Chapter only as authorized in the specific case. The Chapter must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article XIII, whichever is applicable. The determination shall be made in any of the following ways:

- (a) By a majority vote of a quorum of the Board of Directors consisting of directors who were not parties to such action, suit, or proceeding.
- (b) If the quorum described in clause (a) above is not obtainable, by a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors.
- (c) By independent legal counsel in a written opinion.
- (d) By the members.

SECTION 6. Proportionate Indemnity. If a person is entitled to indemnification under Sections 1 or 2 of this Article XIII for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the Chapter shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

SECTION 7. Expense Advance. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 1 or 2 of this Article XIII may be paid by the Chapter in advance of the final disposition of the action, suit, or proceeding on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the Chapter. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but it need not be secured.

SECTION 8. Nonexclusivity of Rights. The indemnification or advancement of expenses provided under this Article XIII is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Chapter. However, the total amount of expenses advanced or indemnified from all

sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

SECTION 9. Indemnification of Employees and Agents of the Chapter. The Chapter may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation to the fullest extent of the provisions of this Article XIII with respect to the indemnification and advancement of expenses of directors and officers of the Chapter.

SECTION 10. Former Directors and Officers. The indemnification provided in this Article XIII continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of that person.

SECTION 11. Insurance. The Chapter may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, or agent of the corporation or (b) was or is serving at the request of the Chapter as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. The insurance may protect against any liability asserted against the person and incurred by them in any such capacity or arising out of their status as such, whether or not the Chapter would have power to indemnify against liability under this Article XIII or the laws of the State of Michigan.

SECTION 12. Changes in Michigan Law. If there are any changes in the Michigan statutory provisions applicable to the Chapter and relating to the subject matter of this Article XIII, the indemnification to which any person shall be entitled shall be determined by the changed provisions, but only to the extent that the change permits the Chapter to provide broader indemnification rights than the provisions permitted the Chapter to provide before the change.

ARTICLE XIV

AMENDMENTS

SECTION 1. Amendment. These Bylaws may be amended at any meeting of the membership by a majority vote of the members present and voting as set forth in Article VI, if notice setting forth the proposed amendment(s) has been given in accordance with any notice requirement for the membership meeting.

SECTION 2. Determination of Exact Wording. The members present at the meeting have the right to determine the exact wording of the change they decide to incorporate in the Bylaws. They cannot, however, act upon or propose any amendment not included in the written notice submitted to the membership.