

## ARTICLE IV - Board of Directors

**Section 4.1. Duties; Qualifications; Term.** The business and affairs of DirectEmployers Association shall be managed by the Board. Each member of the Board of Directors must be an employee, agent or other designated representative of a Full-privilege Member of DirectEmployers Association (except as specified in Section 4.20 of these Bylaws). Members of the Board shall be designated as Vice Presidents of the Association. Subject to law, the Certificate of Incorporation and the other provision of these Bylaws, and unless a different term shall have been determined by the Members, each Director shall serve for a term two (2) years or until his/her successor is duly chosen and qualified. Directors may only be elected to three (3) successive terms.

**Section 4.2. Directors Powers.** Except for those powers conferred upon the Members of DirectEmployers Association by law, by the Certificate of Incorporation or by these Bylaws, the Board shall have and may exercise all of the powers of DirectEmployers Association, including but not limited to the management and control of the property, the election and compensation of its agents and employees, the adoption of regulations, the establishment of committees and/or councils and the delegation to such persons, committees, or councils the setting and collection of its dues, the receipt and disbursement of funds of DirectEmployers Association, preparation of audited accounts of DirectEmployers Association's affairs, printing and circulation of documents and publication of writings, maintenance of correspondence and communications with other associations interested in similar professional activities provided such correspondence and communication is carried out in accordance with applicable provisions of law, and the devising and execution of such other measures as may be proper and expedient to promote the objectives of DirectEmployers Association and to best protect the interests and welfare of its Members.

**Section 4.3. Number and Election.** The number of Directors on the Board of the Association shall be fixed at fifteen (15); this number excludes the Board positions held by the Past President and the President Elect. The terms of these Directors are staggered. An election for the Board of Directors shall be held at least thirty (30) days prior to the next annual meeting. The Board of Directors elected shall preside over the next Board meeting. If an election for the Board of Directors is not held at the time designated in these Bylaws, the Directors then in office shall hold over until their successors shall be elected and qualified, or until their resignation, removal or death. The number of Directors of the Association representing direct-hire companies shall always exceed ninety percent (90%) of the total number of Directors. Third-party recruiters shall be afforded a maximum of one (1) Board position.

**Section 4.4. Vacancies.** Any vacancy among the Directors caused by death, resignation, removal or otherwise may be filled by a majority vote of the remaining members of the Board; except, that in the event the vacancy is created by an increase in the number of Directors by amendment of these Bylaws, the election of the additional Director or Directors shall be by a vote of the Members of DirectEmployers Association. The term of office of a Director chosen to fill a vacancy shall expire when the term of the person whose vacancy he/she filled would have expired.

**Section 4.5. Removal.** Any Director may be removed, with or without cause, by the Board whenever a majority of such Board shall vote in favor of such removal.

**Section 4.6. Board of Directors Annual Meetings.** Unless otherwise agreed upon, the Board shall meet before or immediately following the annual meeting of the Members, at the place where such meeting of Members was held, for the purpose of electing a President Elect of DirectEmployers Association and consideration of any other business which may be brought before the meeting. Written notice of said annual meeting shall be given to each Director at such address as appears upon the records of the DirectEmployers Association and at least ten (10) days before the date of said annual meeting. Said notice requirement is consistent with the notice requirement for Members set forth in ARTICLE III - Meetings of Members (specifically Section 3.3). This notice requirement may be waived by the Board at any time.

**Section 4.7. Other Meetings.** Regular meetings of the Board may be held pursuant to a resolution of the Board of such effect, and shall be held whenever convenient for the Board. No notice shall be necessary for any regular meeting. Special meetings of the Board may be held upon the call of the Executive Director, the President or of any three (3) members of the Board and upon forty-eight (48) hours notice specifying the time, place and general purposes of the meeting, given to each Director either personally or by mail, electronic mail, telegram, facsimile transmission or telephone. Notice of a special meeting may be waived in writing, by mail, electronic mail, telegram or by facsimile transmission before the time of the meeting, at the time of the meeting, or after the time of the meeting. Attendance at any special meeting shall constitute waiver of notice of such meeting.

**Section 4.8. Quorum.** The presence of a majority of the entire Board, either in person, by teleconference or by proxy, shall be necessary to constitute a quorum for the transaction of any business except the filling of vacancies, and the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

**Section 4.9. Action by Consent.** Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, if prior to such action a written consent to such action is signed by all members of the Board and such consent is filed with the minutes of proceedings of the Board of Directors.

**Section 4.10. Director Nominating Committee.** The Board shall appoint a Director Nominating Committee of three (3) Members of DirectEmployers Association whose duty it shall be to nominate Full-privilege Members as candidates for Directors to be elected. Membership on the Director Nominating Committee shall not disqualify a Member from being a nominee. Nominations for Directors may also be made by any Full-privilege Member in good standing, provided that such nominations are submitted to the Director Nominating Committee in writing at least thirty (30) days prior to the election for the Board of Directors. The Director Nominating Committee shall present a slate of candidates of at least the number of vacancies which are to be filled. The Director Nominating Committee shall report to the Secretary, in writing, at least fifteen (15) days before the date of the election for the Board of Directors the names of all

candidates to be nominated and the Secretary, except as otherwise provided, shall e-mail a copy of the said list to the last recorded e-mail address of each Full-privilege Member, together with a notice of the election for the Board of Directors. The above-described methods of nomination shall be exclusive.

**Section 4.11. President Nominating Committee.** The President shall in each year appoint a President Nominating Committee. The aforementioned Committee shall consist of at least the following persons: the President, Executive Director and one (1) Director. Membership on the President Nominating Committee shall not disqualify a Member from being a nominee.

**Section 4.12. Finance Committee.** The Finance Committee will be responsible to the President and Board of Directors for the development of the financial policy of DirectEmployers Association, review and evaluation of accounting procedures systems and records, investment decisions, budget approval, periodic review and analysis of operating expenses and any other activity directly relevant to establishing and maintenance of generally accepted sound fiscal operation of a non-profit association. This Committee will, with the recommendations of the Treasurer, review all budgets and approve all proposals for expenditures exceeding pre-approved limits. The Members of this Committee will include at least the following: the President, the Executive Director, and the Treasurer.

**Section 4.13. Executive Committee.** There shall be an Executive Committee of DirectEmployers Association, which shall consist of the President, President Elect, Past President, Executive Director, and at least one (1) Director, selected from the Board of DirectEmployers Association, by a resolution, adopted by a majority of the entire Board. During intervals between meetings of the Board, the Executive Committee shall have and exercise all of the authority of the Board in the management of the Association. The Executive Committee shall cause minutes of its proceedings to be kept and filed with the minutes of the proceedings of the Board. The Executive Director or President shall serve as Chairman of the Executive Committee.

**Section 4.14. Other Committees and/or Councils.** The Executive Director, President, or the Board may from time to time create and appoint standing and special committees and/or councils to undertake studies, make recommendations and carry on functions for the purpose of efficiently accomplishing the purposes of DirectEmployers Association. Said other committees and/or councils shall internally elect a Chairman to serve as the contact for and leadership of the other committee and/or councils for which he or she is elected Chairman and serves thereon.

**Section 4.15. Conduct of Meetings.** Any committee or council, may, subject to the approval of the President, Executive Director, and/or the Board, make further rules for the conduct of its business. However, unless otherwise provided by vote of the Board or in such rules, its business shall be conducted as nearly as may be in the same manner as is provided in these Bylaws for the Board.

**Section 4.16. Vacancies.** Any vacancies which occur on the Director Nominating Committee, Officer Nominating Committee, Finance Committee, and/or Executive Committee shall be filled by the Board. The Chairman of any other committee or council may fill any vacancy, which arises on the other said committees or councils.

**Section 4.17. Authority of Committees and Councils.** The Board shall have the power to revise or amend any decision of any committee or council.

**Section 4.18. Reports of Committees and Councils.** Every committee and/or council shall submit, at each annual meeting, a written report describing its activities in the period since its last report. Such reports shall be filed with the Secretary and be made available to the Members of DirectEmployers Association.

**Section 4.19. Board of Directors Compensation.** No Director shall receive any compensation for his/her services as a member of the Board as such, provided, however, that any Director may, subject to policies adopted by the Board and the availability of funds, be reimbursed for necessary expenses, including travel expenses, reasonably incurred by him/her in the performance of his/her duties as a Director. This provision is not applicable to the Executive Director who is not a member of the Board; however, the Executive Director, who is a contract employee of DirectEmployers Association, shall attend all meetings of the Board.

**Section 4.20. Special Circumstances Regarding Membership to the Board of Directors.** As previously stated the Association is composed of Associate Members and Full-privilege Members (hereinafter referred to as a Full Member). Some of these Full Member companies hold positions on the Board of Directors of the Association. A position on the Association's Board of Directors is held by a Full Member company and not by the employee, agent or other designated representative (hereinafter representative) of the Full Member company who physically fills said Board position. However, there are special circumstances that may arise during the term of a Board position, held by a Full Member company, that may require a Board position be held by an individual and not a Full Member company. The following is a non-exclusive list of said special circumstances that could occur:

- (1) If a representative of a Full Member company, who physically fills a Board position for the Association, has his/her relationship with said Full Member company terminated he/she, at the pleasure of the Board, shall remain as a member of the Board for the remainder of his/her term if he/she agrees to remain on the Board and the Full Member company from which said representative's relationship was terminated does not designate a replacement for said representative. This is true regardless of where the representative procures a business or employment relationship (with the exception of a business or employment relationship with any traditional job board, which would exclude said representative from membership of the Board).

- (2) If the representative described in paragraph (1) above becomes a representative of another Full Member company, that does not at that time have a Board position, during the remainder of his/her term as a Board Member, the Full Member company that he/she currently represents, at the pleasure of the Board, shall have a Board position for the remaining board term of said representative. The exception to this paragraph is if said representative or the newly represented Full Member company does not desire to participate on the Board, or the Full Member company from which said representative's relationship was terminated designates a replacement for the Board for said representative.
- (3) If the aforementioned representative, described in paragraph (1) above, of a Full Member company becomes a representative of another Full Member company, which at that time does have a Board position, during the remainder of his/her term as a Board Member said Full Member company, at the pleasure of the Board, shall have two (2) voting Board positions for the remaining Board position term of their new employee, agent or other designated representative. The exception to this paragraph is if said representative does not desire to participate on the Board, or the currently represented Full Member company does not desire to have two (2) representatives on the Board, or the Full Member company from which said representative's relationship was terminated designates a replacement for the Board for said representative.

It should be noted, as described in paragraphs (1), (2) and (3) above, that a Full Member company who loses its representative to the Board, shall be allowed to appoint a new representative, if said Full Member company desires to do so. The Board may ask the representative (as described in paragraph (1), (2) and (3) above) to remain in his/her Board position until said Full Member company has designated his/her replacement. If said Full Member Company does not wish to appoint an employee, agent or otherwise designated representative to the Board said Full Member's Board Position shall be terminated by an order of the Executive Committee.

It should also be noted that the Executive Committee has the authority, by a majority vote, to take any measures necessary to ensure a minimum number of Board members is maintained, that the number of Board members does not exceed the maximum number set, and to ensure the integrity of the Board.