

ARTICLE VIII - Rights to Indemnification/Advancement of Expenses

Section 8.1. Definitions For Purposes of Article VIII.

- (1) The term "Director" means an individual who is or was a member of the Board or has served on the Executive Committee of DirectEmployers Association or an individual who, while a member of the Board of DirectEmployers Association, is or was serving at DIRECTEMPLOYERS Association's request 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.

The term "Director" includes, unless the context requires otherwise, the estate or personal representative of a Director.

- (2) The term "expenses" includes all direct and indirect costs (including, without limitation, legal counsel fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, all other disbursement or out-of-pocket expenses) actually incurred in connection with the investigation, defense, settlement or appeal of a proceeding or establishing or enforcing a right to indemnification under Article VIII, applicable law or otherwise.
- (3) The term "liability" means the obligation to pay judgment, settlement, penalty, fine, excise tax or reasonable expenses incurred with respect to a proceeding.
- (4) The term "Full-privilege Member" means any organization who has contributed the required membership dues to DirectEmployers Association in order to have voting rights within DIRECTEMPLOYERS Association and to participate in DirectEmployers Association's cooperative group of employers using all available technology to manage, operate and own directemployers.com, a Career Portal on the Internet, and delivering employment advertising and recruiting information to other electronic delivery systems vendors when appropriate.
- (5) The term "party" includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.
- (6) The term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.
- (7) The term "organization" includes a foreign or domestic corporation, partnership, joint venture, trust, unincorporated association, proprietorship or other enterprise, whether for profit or not.

Section 8.2. Indemnification and Advancement of Expenses. DirectEmployers Association shall indemnify every Director or Member of DirectEmployers Association made a party to a proceeding because such individual is or was a Director or Member, as a matter of right, against all liability incurred by an individual or other organization in connection with the proceeding; provided that it is determined in the specific case that indemnification of an individual or other organization is permissible in the circumstances because the individual or organization has met the standard of conduct for indemnification specified in the Act. DirectEmployers Association shall pay for or reimburse the reasonable expenses incurred by a Director or Member of DirectEmployers Association in connection with any such proceeding in advance of final disposition thereof in accordance with the procedures and subject to the conditions specified in the Act. DirectEmployers Association shall indemnify a Director or Member of DirectEmployers Association who is wholly successful, on the merits or otherwise, in the defense of any such proceeding, as a matter of right, against reasonable expenses incurred by the individual or organization in connection with the proceeding without the requirement of a determination as set forth in the first sentence of this Section. Upon demand by a Director or Member of DirectEmployers Association for indemnification or advancement of expenses, as the case may be, DirectEmployers Association shall expeditiously determine whether the Director or Member is entitled thereto in accordance with this Section and the procedures specified in the Act. Every individual who is or was an Officer of DirectEmployers Association shall be indemnified, and shall be entitled to an advancement of expenses, to the same extent as if such individual is or was a Director or Member of DirectEmployers Association. The indemnification provided under this Section shall be applicable to any proceeding arising from acts or omissions DirectEmployers Association occurring before or after the adoption of this Section.

Section 8.3. Other Rights Not Affected. Nothing contained in Article VIII shall limit or preclude the exercise or be deemed exclusive of any right under the law, by contract or otherwise, relating to indemnification of or advancement of expenses to any individual who is or was a Director, Officer, employee, agent or Member of DirectEmployers Association, or the ability of DirectEmployers Association to otherwise indemnify or advance expenses to any such individual or organization. It is the intent of Article VIII to provide indemnification to Directors, Officers and Members to the fullest extent now or hereafter permitted by law consistent with the terms and conditions of Article VIII. Therefore, indemnification shall be provided in accordance with Article VIII irrespective of the nature of the legal or equitable theory upon which a claim is made, including without limitation negligence, breach of duty, mismanagement, corporate wastes, breach of contract, breach of warranty, strict liability, violation of Federal, State or Local securities laws or violation of any other Federal, State or Local laws.