



**NACE INTERNATIONAL INSTITUTE**

**BYLAWS**

Approved by the NACE International Board of Directors:  
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# TABLE OF CONTENTS

ARTICLE I: NAME, PURPOSE AND GOVERNANCE STRUCTURE ..... 3

    Section 1: Name ..... 3

    Section 2: Legal Status ..... 3

    Section 3: Purpose ..... 3

    Section 4: Governance Structure ..... 3

ARTICLE II: MEMBERSHIP ..... 3

    Section 1. Classes and Voting Rights ..... 3

    Section 2. Action by Written Consent ..... 4

    Section 3. Termination of Membership ..... 4

ARTICLE III: BOARD OF DIRECTORS ..... 4

    Section 1: Role and Functions of the Board of Directors ..... 4

    Section 2: Composition of the Board of Directors ..... 4

    Section 3: Term of Service of Board Members and Filling of Vacancies ..... 5

    Section 4: Board Meetings: Notice, Quorum and Voting ..... 5

    Section 5: Removal ..... 6

ARTICLE IV: BOARD OFFICERS ..... 7

    Section 1: Board Officers ..... 7

    Section 2: Election, Term and Qualifications ..... 7

    Section 3: Removal or Resignation of Officers ..... 7

    Section 4: Vacancies ..... 7

    Section 5: President ..... 7

    Section 6: Vice President ..... 7

    Section 7: Past President ..... 8

    Section 8: Secretary/Executive Director ..... 8

    Section 9: Treasurer ..... 8

    Section 10: Delegation of Duties ..... 8

ARTICLE V: COMMITTEES AND OTHER BODIES ..... 8

    Section 1: Board Committees ..... 8

    Section 2: Other Committees, Subcommittees and Advisory Bodies ..... 8

ARTICLE VI: LIMITATION OF LIABILITY AND INDEMNIFICATION ..... 9

    Section 1: Limitation of Liability ..... 9

    Section 2: Indemnification ..... 9

ARTICLE VII: AMENDMENTS TO BYLAWS ..... 9

## ARTICLE I: NAME, PURPOSE AND GOVERNANCE STRUCTURE

**Section 1: Name.** The name of the corporation is NACE International Institute (hereinafter, the “Institute”).

**Section 2: Legal Status.** The Institute is incorporated in the State of Texas. As such, the Institute is governed by the Texas Non-profit Corporation Act (the “Act”).

**Section 3: Purpose.** The purposes of the Institute, consistent with its Articles of Incorporation, are to operate broadly for the benefit, protection, and preservation of the corrosion engineering and science industry; to improve the business conditions of that industry; and to promote public safety, protect the environment and reduce the economic impact of corrosion by advancing the knowledge of corrosion engineering and science through the offering of technical training, certification programs, and publications.

**Section 4: Governance Structure.** The functions of the Institute are carried out through the Board of Directors, Members, and such Board Committees and Non-Board Committees as may be established and authorized by the Board of Directors in accordance with the procedures set forth in these Bylaws or otherwise adopted by the Board of Directors and set forth in the Operating Manual, Policies and Procedures Manual, or other Board Committee or Non-Board Committee Manuals.

## ARTICLE II: MEMBERSHIP

**Section 1. Classes and Voting Rights.** The Institute shall have members in the following two classes: the Voting Member and Associate Members.

- a. **Voting Member.** The Voting Member shall be NACE International, which shall have the right to elect the Institute Board of Directors in the manner described in these Bylaws and to cast a vote on matters where a vote of the Voting Member is requested by the Board or required under the Act.
- b. **Associate Members.** Associate Members shall not have voting rights, but may have such other rights and obligations as defined by the Board of Directors. Associate Members shall meet one of the following requirements.
  - i. **Membership-in-Good-Standing in NACE International.** Individual members of NACE International, and individuals listed as corporate membership representatives to NACE International, will be considered to meet the Institute’s individual membership prerequisite. Corporate members of NACE International shall be corporate members of the Institute. Members of NACE International may elect not to be members of the Institute, but

corporate members of NACE International may not make this election for individual members.

- ii. NACE Certification and Application to Institute. Persons holding an active NACE certification, and who are not otherwise members of NACE International, may apply for individual membership in the Institute without having separate membership in NACE International. Provisions for membership criteria, applications, and dues for such independent members shall be established by the Institute Board of Directors in coordination with NACE International.

**Section 2. Action by Written Consent.** Any action required to be taken by the Voting Member shall be taken in writing, setting forth the action so taken, which is signed, in tangible or electronic form, by the President of NACE International or another designee.

**Section 3. Termination of Membership.** The membership status of Non-Voting Members may be revoked by the Board of Directors upon the recommendation of the Policy & Practices Committee, as set forth in the Operations Manual. The membership of the Voting Member may not be revoked without the Voting Member's prior written consent.

## ARTICLE III: BOARD OF DIRECTORS

**Section 1: Role and Functions of the Board of Directors.** The general affairs of the Institute shall be governed by the Institute Board of Directors (collectively, the "Board"), who shall have oversight authority on all matters not otherwise delegated to the Voting Member or another body under these Bylaws or the Act. Individual members of the Board of Directors (such individuals being "Directors") shall meet certain standards of conduct and attention in carrying out their responsibilities to the Institute. These standards are the fiduciary obligations of care, loyalty, and obedience. In addition, individual Directors shall operate consistently with all policies and other requirements set forth in the Operating Manual, the Policies and Procedures Manual, or other policy adopted by the Board, where not inconsistent with the Articles of Incorporation, these Bylaws, or the Act.

**Section 2: Composition of the Board of Directors.** The number of Directors shall be established by the Voting Member, but shall not be less than five (5). Directors shall be appointed by the Voting Member. In addition, the following Director seats shall be filled ex-officio, with voting rights: the Institute Past President, the Chair of the Institute's Certification Committee, and the Chair of the Committee with oversight of the Political Action Committee ("PAC"). The Secretary/Executive Director and the Chair of Policy and Practices Committee shall serve as ex-officio Directors without voting rights.

**Section 3: Term of Service of Board Members and Filling of Vacancies.**

- A. **Term of Service.** With the exception of the initial Board and ex-officio members, all Directors of the Institute shall serve for a term of approximately three (3) years, on a calendar year basis, until their successors have been duly appointed, provided that such term limit shall not apply if the individual's service as an Officer requires a term extension. Approximately one-third (1/3) of all voting Directors shall be appointed each year.
- B. **Filling of Vacancies.** Whenever a vacancy shall occur in the Board or in any office of the Institute, the Voting Member may appoint an individual to fill such vacancy. Individuals so appointed shall serve for the unexpired term of their respective predecessors.

**Section 4: Board Meetings: Notice, Quorum and Voting.**

- A. **Annual and Regular Meetings.** Annual and regular meetings of the Board shall be held at such time and place designated by the Board of Directors. Notice of an annual or regular meeting must be given pursuant to Section 4(c) herein.
- B. **Special Meetings.** Special meetings of the Board may be called at the written request of one-third (1/3) of Directors having voting rights. Notice of a special meeting must be given pursuant to Section 4(c) herein.
- C. **Notice.** Notice of any meeting of the Board shall be received by each Director by mail, overnight courier, electronic mail, or other mode of written transmittal, ten (10) days prior to the date set for such a meeting, and must include the time, date, and place of such meeting. For special meetings, notice must include the agenda for the meeting.
- D. **Quorum.** A quorum for the transaction of business shall consist of the greater of one-third (1/3) of the Directors having voting rights or no less than three (3) Directors eligible to cast votes on the issue being considered, provided that at least one (1) Officer is present and voting. Proxy votes are not permitted.
- E. **Approval Requirements.**
1. **Board Business Not Involving the Political Action Committee.** The vote of a majority of the individual Directors present at a duly called meeting at which a quorum is present shall be the act of the Board, except as otherwise provided by the Act or in these Bylaws. Each Board Director shall have one vote.

2. For Board Business Involving the Political Action Committee. The vote of a majority of the individual Directors present at a duly called meeting at which a quorum is present shall be the act of the Board, except as otherwise provided by the Act or in these Bylaws. Each Director shall have one vote, provided that Directors who do not meet U.S. citizenship requirements may not vote.
- F. Special Approval Requirements. The following matters shall require two-thirds (2/3) approval of all Directors having voting rights:
1. Reversing any disciplinary action enacted by the Policy & Practices Committee or the Certification Committee;
  2. Establishing or disbanding a Board or Non-Board Committee;
  3. Amending, altering, or repealing the Operating Manual, Policies and Procedures Manual, or other Board Committee or Non-Board Committee Manual; and
  4. Removing an Officer or an appointed member of a Board Committee or Non-Board Committee for cause.
- G. Rules of Order. The rules of order established by the President shall govern where not inconsistent with these Bylaws or the Act. In establishing such rules, the President shall be guided by applicable provisions of Robert's Rules of Order.
- H. Teleconferencing. Any person participating in a meeting of the Board may participate by means of conference telephone or by any means of communication by which all persons participating in the meeting are able to hear one another and otherwise fully participate in the meeting. Such participation shall constitute presence in person at the meeting.
- I. Action by Written Consent. The Board of Directors may vote without a meeting if a written consent, stating the action to be taken, is signed by the number of Directors necessary to take that action at a meeting at which all of the Directors are present and voting. The consent must state the date of each Director's signature.
- J. Rights of the Voting Member. The Voting Member of the Institute shall have the right to request an appearance before any meeting of the Board to present action items on any subject concerning the Institute, providing this request is made in writing and is received by the Secretary/Executive Director at least forty-five (45) days before the meeting, and providing the purpose of the appearance is stated.

**Section 5: Removal.** An individual Director may be removed, with or without cause, by the Voting Member.

## ARTICLE IV: BOARD OFFICERS

**Section 1: Board Officers.** The Officers of the Institute shall be a President, Vice President, Treasurer, Past President, and Secretary/Executive Director, and such other Officers as may be determined by the Board. The Board may elect other Officers deemed necessary to be vested with the authority prescribed by the Board. The offices of President and Secretary/Executive Director shall not be held by the same person.

**Section 2: Election, Term and Qualifications.** The Officers of the Institute, with the exception of Past President and Secretary/Executive Director, which shall be held *ex-officio*, shall be elected by the Board. Officers shall only be elected from amongst the Directors having voting rights. Each Officer, excluding the Secretary/Executive Director and Past President, shall hold office for three (3) years, on a calendar year basis. The Secretary/Executive Director shall serve so long as he or she remains in the position of Executive Director of the Institute. Other than the Past President, Secretary/Executive Director, and Treasurer, there shall be a limit of two consecutive terms that an Officer may serve. The terms of Officers may be staggered, so as to not all expire at the same time, to the extent and as determined by the Board. With the exception of the initial slate of Officers and the position of Secretary/Executive Director, Officers are eligible for appointment only if they have completed one or more terms as a Director.

**Section 3: Removal or Resignation of Officers.** An Officer may be removed, with or without cause, by a vote of the Board. Any Officer may resign at any time by giving written notice to the President, Secretary/Executive Director, Treasurer, or to the Board. Such resignation shall take effect at the time specified in such notice, or, if no time is specified, at the time such resignation is tendered. A person who resigns as an Officer of the Board shall remain a voting Director until such time the person resigns his or her seat or is removed by the Voting Member.

**Section 4: Vacancies.** An Officer vacancy may be filled at any time by the Board for the unexpired portion of such Officer's term. Vacancies may be filled or new offices created and filled at any meeting of the Board.

**Section 5: President.** The President shall be the principal executive officer of the Institute and shall, in general, supervise and have charge of all of the affairs of the Institute, pursuant to the direction and oversight of the Board. The President shall preside at all meetings of the Board and shall serve as the President of the Board. The President, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

**Section 6: Vice President.** The Vice President shall act in the absence of the President and shall perform such other duties as may be prescribed by the Board from time to time.

**Section 7: Past President.** The Past President shall be the most recent past President willing to serve.

**Section 8: Secretary/Executive Director.** The Secretary/Executive Director shall be the sitting Executive Director of NACE International, or his/her designate. In the event that the Executive Director position at NACE International is vacant, the position of Secretary/Executive Director of the Institute shall be appointed by the Board of Directors of NACE International. The Secretary/Executive Director shall be the Chief Operating Officer of the Institute and shall, in general, administer all of the business and affairs of the organization including day-to-day operations and leadership of the Institute towards the achievement of its goals and policies; have authority to sign, execute, and acknowledge, on behalf of the Institute, contracts, reports, and other documents or instruments necessary or proper to be executed in the course of the Institute's regular business; record the minutes of all meetings of the Board; maintain such minutes in one or more books provided for such purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by the Act; be the custodian of the corporate records, including but not limited to all correspondence of the Institute; be the custodian of the seal of the Institute and see that such seal is affixed to all documents where necessary, the execution of which on behalf of the Institute under its seal is duly authorized in accordance with the provisions of these Bylaws; and in general perform all of the duties incident to the office of Secretary/Executive Director and such other duties as from time to time may be assigned to him or her by the President or by the Board.

**Section 9: Treasurer.** The Treasurer has fiduciary responsibility for the Institute's funds and has access to all financial records of the Institute, has primary responsibility for preparing a draft of each annual budget for review by the Board, and serves on the Audit Committee. The Treasurer shall also perform such duties as from time to time may be assigned by the President or by the Board.

**Section 10: Delegation of Duties.** One or more duties of any Officer of the Corporation may be expressly delegated by the Board or by such Officer to one or more other Officers, employees, or agents of the Institute, provided that if such delegation is not to another Officer, then the Officer shall supervise and oversee the actions of such employees or agents.

## **ARTICLE V: COMMITTEES AND OTHER BODIES**

**Section 1: Board Committees.** The Board may establish Board committees having the authority of the Board of Directors ("Board Committees"). Such Board Committees shall be established, and its members appointed, by Board, and the members of such Board Committees shall consist exclusively of Directors.

**Section 2: Other Committees, Subcommittees and Advisory Bodies.** The Board may establish other Committees, Subcommittees, and Advisory Bodies



(collectively, “Non-Board Committees”) as deemed necessary and as set forth by resolution of the Board. These Non-Board Committees shall not exercise the authority of the Board.

## **ARTICLE VI: LIMITATION OF LIABILITY AND INDEMNIFICATION**

**Section 1: Limitation of Liability.** To the fullest extent permitted by the Act, the personal liability of the Officers and Directors of the Institute is hereby limited.

**Section 2: Indemnification.** To the fullest extent permitted by the Act, the Institute shall have the power to indemnify and hold harmless each Director and Officer of the Institute.

## **ARTICLE VII: AMENDMENTS TO BYLAWS**

Amendments to these Bylaws shall be approved by the Voting Member.

**Table of Revisions**

<u>Date</u>	<u>Section</u>	<u>Revision</u>
03/04/13	Article II, Section 1.b.i	Formalize the corporate member category in the Institute.