

BYLAWS
of
SSPC: THE SOCIETY FOR PROTECTIVE COATINGS

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ARTICLE I **PURPOSES**

The purpose of SSPC: The Society for Protective Coatings (hereinafter referred to as SSPC) is to advance the technology and promote the use of protective coatings to preserve industrial, marine and commercial structures, components and substrates.

ARTICLE II **MEMBERSHIP**

SECTION 1 **QUALIFICATIONS**

Organizations or individuals who are concerned with the technology of protective coatings for industrial structures may be admitted to membership in SSPC in the classes of membership provided in Section 2 and in the manner hereinafter provided in Section 3 of this article.

SECTION 2 **CLASSES**

There shall be classes of Organizational Members and of Individual Members as follows:

Organizational Members: Defined as qualified organizations that contribute an annual organizational membership fee to SSPC. The Board of Governors shall determine classification and annual fee.

Individual Members: Defined as qualified, individual persons who contribute an annual individual membership fee to SSPC. The Board of Governors shall determine the annual fee.

Other member classes may be established by a two-thirds majority decision of the Board of Governors.

SECTION 3 **REPRESENTATION**

Organizational Members:

Each Organizational Member shall appoint a representative to be the official liaison between that organization, SSPC, and its governing bodies. Each Organizational Member may also appoint an alternate to represent the organization in lieu of the official representative. Each member organization shall designate in writing the official representative and the official alternate who will serve as representatives of the organization. The official and alternate representatives shall be individual members of SSPC. The official representative or an officer of the organization should notify the Secretary of SSPC (preferably in writing) when the alternate will be serving as official representative or when an official representative is replaced. Each organizational member may designate additional representatives as individual members as authorized by the Board of Governors.

Individual Members:

Each Individual Member shall be empowered to vote in the election of representatives to the Board of Governors. An Individual Member may not appoint another individual to cast his/her vote.

SECTION 4 **SPECIAL MEMBERSHIPS**

Life Member:

An individual meeting the following requirements may apply for Life Membership:

- Continuous membership in SSPC for 10 years.
- Minimum age of 62.
- Payment of Life Membership dues shall be a one-time payment equal to four times the annual dues for Individual Membership.

A Life Member receives all the benefits of individual members until the member's death or until SSPC is informed by the member to discontinue his/her membership.

Honorary Life Member:

Honorary Life Member is a title that is bestowed on an individual by the Board of Governors for extraordinary long-term activity on behalf of SSPC. To become an honorary life member, an individual must be nominated by a Board member and approved by two-thirds of the Board of Governors. No more than one honorary life membership shall be awarded each year.

An honorary life member is entitled to the following:

- Full life complimentary membership as described above.
- 100% discount on SSPC National events, including conferences and training programs.

Retired Member:

An individual meeting the following requirements may apply to be a retired member:

- Membership in SSPC for at least 5 years.
 - Minimum age of 62.
 - Retired from a previous full-time job.
 - Self-employed, or not receiving support from all employers or clients of more than 800 hours per year.
- A retired member will be assessed dues equal to 40% of the regular individual membership dues.
A retired member will receive all the privileges and benefits of regular individual members.

Student Member:

An individual meeting the following requirements may apply to be a student member of SSPC:

- Full-time student at accredited college or post-secondary education curriculum or post-graduate school.
 - Studies or activities related to protective coatings.
 - Maximum age of 28
- A student member will be assessed dues at 30% of the regular individual member rate.
A student member will receive all the privileges and benefits of regular individual members.

SECTION 5 TERMINATION OF MEMBERSHIP

By request, any Individual or Organizational Member may terminate their membership at any time. For an Organizational Member, the SSPC Internal Procedures for Membership Renewal are followed to properly handle individuals whose memberships are paid as part of that organization. After notification, SSPC will terminate Membership in SSPC of an individual or organization not paying their membership dues. Every attempt will be made to encourage individuals and organizations to renew their membership in accordance with the internal procedures.

ARTICLE III SSPC MEETINGS

SECTION 1 ANNUAL MEETING

SSPC shall hold a General Meeting at least once a year. Written notice of each Annual Meeting of SSPC shall be given to each member not less than thirty (30) days prior to the date thereof.

SECTION 2 SPECIAL MEETINGS

The President or any five (5) members of the Board of Governors may call special Meetings of SSPC. Notice of any Special Meetings will be sent to each member at least thirty (30) days in advance with a statement of time and place, and information as to the subject or subjects to be considered.

ARTICLE IV
BOARD OF GOVERNORS

SECTION 1
COMPOSITION OF BOARD

A Board of Governors, composed of thirteen (13) elected members, plus a non-voting Secretary and Treasurer, and ex-officio members, shall manage the affairs of SSPC.

The composition of the Board shall be guided by demographics, as follows:

3 members shall be elected from individuals representing Facility Owners (individuals who are employed by public or private sector owners of assets who are responsible for the maintenance of coatings of heavy or light industrial structures and surfaces).

2 members shall be elected from individuals representing Coating Material Suppliers (individuals who own, are employed by, or represent firms that manufacture or distribute coatings, linings or the raw materials used to manufacture these products).

3 members shall be elected from individuals representing Other Product Suppliers (individuals who own, are employed by, or represent firms that manufacture or distribute equipment, abrasive or peripheral products for use in the protective coatings industry).

3 members shall be elected from individuals representing Coating Contractors (individuals who own or are employed by contracting firms specializing in the removal or application of coatings and linings, either in the field or shop).

1 member shall be elected from individuals representing Other Service Providers (individuals who own, are employed by, or represent firms who provide services such as engineering and consulting, that support the protective coatings industry).

1 member shall be elected from the international membership. An international delegate shall be from any demographic. An international delegate can be from any country outside North America.

Qualifications to serve on the Board:

- a) Must be an individual member or verified corporate individual member for at least five years.
- b) Must have attended three of the previous five conferences.
- c) Must be a member of a standing committee, or
- d) Must be an instructor for SSPC educational courses, or
- e) Must be a certified contractor for three years, or
- f) Must have been a local chapter officer.

Note: a and b are mandatory; c through f, only one of those elements are necessary

General:

Two representatives from the same organization may not serve on the Board concurrently. A company that is a subsidiary of another company is considered the same company, in case of a question; the Board of Governors shall determine company status.

In addition, the President, with the approval of the Board of Governors, may appoint up to 4 ex-officio members to attend Board meetings. Ex-Officio members should be appointed based on a specific need of the Board or on a specific need of the organization. Ex-Officio members have the same rights and privileges as other Board members except for the right to vote.

Board Members Other Than Officers:

To represent a demographic group an individual must be employed full time by a company in the demographic category that the individual represents. If an individual changes affiliation and no longer represents the demographic group, that individual will be replaced following the next regularly scheduled Board election.

Officers:

If an officer changes affiliation and no longer represents a demographic, that officer will be allowed, by a two-thirds vote by the remainder of the Board, to continue serving through their year as Immediate Past President. Following that year as Immediate Past President, an appropriate demographic representative will replace the Board member at the next scheduled Board election.

SECTION 2 NOMINATIONS OF BOARD MEMBERS

The Nominating Committee as constituted in Article VII, Section 1 shall nominate candidates for election to the Board of Governors to serve terms according to Article IV, Section 4. The Nominating Committee shall select candidates to ensure that the Board composition meets the requirements in Article IV, Section 1.

Candidates may be nominated for representatives on the Board of Governors by a written nomination signed by an Individual Member in good standing. Self-nominations are not allowed. These nominations shall be filed with the Secretary of the Board of Governors of SSPC for submission to the nominating committee. Previous Board members may be nominated to serve on the Board after that person has been off the Board for a period of five (5) years.

SECTION 3 ELECTION OF BOARD

The election shall be conducted by electronic ballot distributed to members by May 15. The members shall normally be given at least 30 days to respond to ballots unless otherwise authorized by the Board of Governors. Only properly completed ballots received by the required date shall be counted. There is no minimum number of ballots that must be returned from the membership. Board members are elected by a majority of the properly completed ballots.

In the event of a tie in any election, a ballot will be submitted to members of the Board of Governors for a vote. A tally of all the ballots excluding that of President shall be taken to determine the winner. The President's ballot will be used as a tiebreaker.

SECTION 4 TERM OF OFFICE

The normal term of office for Board of Governor members shall be four (4) years. The term of office will begin on July 1 and members will be elected/re-elected on this basis. Any Governor shall not be elected to more than two (2) consecutive four (4) year terms, or eight (8) consecutive years unless they are elected by the Board as an officer and must be extended to fulfill their role through Immediate Past President (see Article VI, Section 9). Governors shall continue in office for their entire term unless they resign, are removed, or are otherwise unable to fulfill an unexpired term of a member of the Board for whom they were appointed by the President and approved by the Board (Art. IV, Sec 10).

The Board of Governors shall determine the term of ex-officio member(s) other than the Secretary and Treasurer of the Board. Ex-officio member(s) may be removed or extended at the discretion of the Board of Governors. Any extension or variation in the term of an ex-officio member must be approved by a 2/3-majority vote of the Board present and voting. The Secretary and Treasurer of the Board shall be appointed for a term of up to two (2) years.

SECTION 5 BOARD MEETINGS

The Board of Governors shall meet at least once each year, normally at the time of the National Conference to conduct the business of SSPC. Notice of each meeting of the Board shall be given to all members of the Board not less than thirty (30) days prior to the date thereof. In addition, Special Meetings of the Board may be convened as described below. Regularly scheduled Board meetings are open to the general membership. These meetings will be publicly announced to the membership at least thirty (30) days in advance. Attendees wishing to address the meeting must submit their items to be added to the agenda by contacting SSPC Headquarters no later than 14 days in advance of the meeting. .

The President may designate a certain portion of the Board Meeting as an "Executive Session". This will allow the Board to discuss issues relating to sensitive legal and financial matters. Non-board members will be excused during this period.

A Special Meeting of the Board of Governors may be called at any time and place by order of the President of SSPC or by written request of five (5) members of the Board of Governors. Written notice of Special Meetings of the Board shall be given to each member of the Board not less than thirty (30) days prior to the date thereof. Each such notice shall be signed by the President or Secretary and shall state the objectives of the meeting and the time

and place such meeting is to be held, and shall also state by whose orders the meeting was called. Special Meetings are open to Board Members only.

SECTION 6 POWERS AND DUTIES OF BOARD

The Board of Governors shall supervise, control, and direct the affairs of SSPC, shall determine and interpret its policies within the limits of the Bylaws; shall actively prosecute its purposes; and shall have discretion in the disbursement of its funds. The Board of Governors shall have final authority over all boards and committees. It may adopt such rules and regulations for the conduct of its business as shall be deemed advisable; and may, in execution of the powers granted, appoint such agents as it may consider necessary; and may contract for professional liability and other insurance protection for SSPC, its officers, Board of Governors, committee members, and staff employees in the conduct of the affairs of SSPC. The Board of Governors also has the authority to direct specific items to be sent to the general membership for consideration and vote.

SECTION 7 QUORUM

A majority (including the President or President-Elect) of the whole Board eligible to vote shall constitute a quorum at any meeting of the Board.

SECTION 8 VOTING

In order for motions to be carried, a majority of the Board must vote in favor of it. The Board of Governors may also establish policies (such as representing SSPC on technical, regulatory, and program matters) with 2/3-majority vote of the members present. A quorum as stated in Article IV, Section 7 must be present.

SECTION 9 ABSENCE

Any member of the Board unable to attend a meeting shall inform the President or Secretary, state the reason for that member's absence. If a Governor is absent from two consecutive meetings for reasons determined to be unacceptable by the Board, that member's resignation shall be deemed to have been tendered and accepted.

SECTION 10 VACANCIES

Any vacancies that may occur on the Board by reason of death, resignation, removal, or otherwise may be filled by appointment by the President and approved by a majority of the remaining voting members of the Board for the unexpired term.

ARTICLE V **GENERAL MEMBERSHIP BALLOTS**

SECTION 1 QUORUM

When a ballot has been sent to the general membership for vote, fifteen percent (15%) of the ballots must be returned in order to constitute a quorum of the membership, except in the election of Board members (Article IV, Section 3). The percentage is based on the number of individual members on a record date as chosen by the Board of Governors prior to issuing the ballot.

SECTION 2 VOTING

In order for a ballot to be adopted by the general membership, sixty percent (60%) of the returned ballots of the membership must be in favor of the item. A quorum of ballots as stated in Article V, Section 1 must be returned.

ARTICLE VI
OFFICERS OF THE BOARD

SECTION 1
ELECTIONS

There shall be installed annually four (4) officers of the Board of Governors, including President, President-Elect, Immediate Past President and Vice President. The Board of Governors shall elect the Vice President, annually from their own number. The President with the approval of the Board shall appoint the Secretary and Treasurer; their appointments shall be for a term of up to two (2) years. The officers of the Board also shall be the officers of SSPC. Since the Secretary and Treasurer are ex-officio members of the Board they shall not be considered officers of the Board.

SECTION 2
ELECTION OF THE VICE PRESIDENT

A Nominating Committee of a minimum of five (5) shall be appointed by the President of the Board, subject to the approval of the Board of Governors. The President will appoint the Nominating Committee by September 30. The Nominating Committee shall normally consist of the President, Immediate Past President, the President-Elect, the Vice President, and one (1) additional representative from the Board of Governors chosen by the President.

The Nominating Committee shall prepare a slate of candidates for Vice President (minimum 2). All candidates for Vice President shall have served on the Board for a period of at least two (2) years prior to being nominated. Provided that there are compelling reasons, the Nominating Committee may recommend to the Board that a single candidate for Vice President be nominated. The Board, by a majority vote of its members, may approve the nomination of a single person for Vice President.

For the office, the candidates will have the qualifications to become President at the end of the two-year period.

SECTION 3
VACANCIES

Vacancies in any office may be filled for the balance of the term thereof by appointment by the President.

SECTION 4
PRESIDENT
DUTIES AND RESPONSIBILITIES

The President shall be the principal elective officer of the organization, and shall preside at meetings of the members of SSPC and of the Board of Governors. The President shall sign and execute any instrument in the name of SSPC when authorized to do so by the Board of Governors. The President, subject to the approval of the Board of Governors, shall appoint such standing or special committees or subcommittees as may be required by the Bylaws, or as he/she may find necessary.

SECTION 5
PRESIDENT-ELECT
DUTIES AND RESPONSIBILITIES

In the absence or inability of the President to fulfill his/her duties, the President-Elect shall perform all duties and exercise all the powers of the President and, subject to the control of the Board of Governors, shall perform such other duties as may be assigned from time to time by the President. The President-Elect is expected to assume the presidency when the current President's term expires or in those situations when the President cannot fulfill his/her term of the office.

SECTION 6
VICE-PRESIDENT
DUTIES AND RESPONSIBILITIES

The Vice-President shall assist the president in managing the affairs of SSPC. In the event that the President-Elect is required to assume the duties of President, or if the President-Elect is unable to perform his/her duties, the Vice President shall assume the role of President-Elect. If both the President and President-Elect are unable to act, the Vice President shall perform all duties and exercise the powers of the President.

SECTION 7
SECRETARY
DUTIES AND RESPONSIBILITIES

The Secretary shall: keep the minutes of all meetings of SSPC and the Board of Governors; see that all notices are duly given in accordance with the Bylaws as required by law; and be custodian for all records and documents of SSPC. The Secretary shall perform his/her duties subject to the control of the Board of Governors. The President may assign other duties from time to time. Together with the President, the Secretary may sign any instruments in the name of SSPC, when authorized to do so by the Board of Governors. "Secretary" as referred to in this section is the Executive Director of SSPC. The Secretary is an "Ex Officio" member of the Board.

SECTION 8
TREASURER
DUTIES AND RESPONSIBILITIES

The Treasurer shall be responsible for the following: receiving and depositing all monies received in the name of SSPC in such depositories as shall be designated by the Board of Governors; disbursing the funds of SSPC as directed by the Board of Governors; keeping proper books of account; preparing an Annual Budget; serving as a member of the Finance Committee; and, in general, discharging the duties incident to the Office of Treasurer. The Treasurer is an "Ex Officio" member of the Board.

SECTION 9
TERMS AND SUCCESSION OF OFFICERS

A sequence and succession of officer positions shall be established as follows: First year -- Vice President; second year -- President-Elect; third year -- President; fourth year -- Immediate Past President. The Board would still be required to confirm each of these positions annually as noted in Section 1. If an officer is unable to complete the current year for any reason, the sequence of succession above will be followed and the election of a new Vice-President will be addressed at the next scheduled meeting of the Board.

Vice-President:

The Board shall elect a member to serve as Vice President as described in Article VI, Section 1. Board members seeking election to Vice President shall agree to serve a term of four (4) years, as shown above. The Vice-President is expected to serve as President-Elect the succeeding year.

President-Elect:

Normally, the Vice-President of the previous year would automatically be assigned the position of President-Elect for the succeeding year. If the Vice-President is prevented from serving in this capacity, the Board shall elect a President-Elect from their membership. A newly elected President-Elect shall serve on the Board of Governors for three years as follows: first year -- President-Elect; second year -- President; third year -- Immediate Past President. The President-Elect is expected to fulfill the role of President in his/her absence.

President:

The President-Elect shall normally assume the role of President after completing a one-year term as President-Elect. If the President-Elect is prevented from assuming the Presidency, the Vice-President shall become President. If both the President-Elect and the Vice-President are unable to serve as President, the Board shall elect a new President from the members of the Board. If the sitting President is unable to complete his/her term as President, the President-Elect shall assume the office of President and complete the existing President's term. With the approval of the Board, the new President will also serve his/her regular scheduled year in office.

Immediate Past President:

The President is expected to serve at least one additional year on the Board in the position of Immediate Past President. The Immediate Past President is the individual who has most recently served as President in the preceding year;

If the President completes his/her term but is unable to continue serving on the Board as Immediate Past President, the President will follow Article IV, Section 10, to name another member to the Board.

Terms for Officers of the Board:

- A Board Member must serve at least two years on the Board before being eligible to be an Officer of the Board.
- If a Board member is elected as an Officer and they do not have enough years to complete their term as Immediate Past President, they shall be extended for the number of years required for them to fulfill their positions in the Officer succession.
- If they are elected by the Board to an officer position in their first term, they will not stand election for a second term but will serve through the various officer positions and then remain on the Board as a voting member to serve no longer than two full terms.
- The number of Board members elected will be adjusted, if necessary, to extend the term of the Officers of the Board as described above.
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ARTICLE VII
OTHER COMMITTEES

SECTION 1
NOMINATING COMMITTEE

A Nominating Committee of a minimum of five (5) shall be appointed by the President of the Board, subject to the approval of the Board of Governors. The President will appoint the Nominating Committee by the end of September. The Nominating Committee shall normally consist of the President, Immediate Past President, the President-Elect, the Vice President, and one (1) additional representative from the Board of Governors chosen by the President.

The Secretary is responsible for obtaining nominations and forwarding them to the Nominating Committee. The Nominating Committee is responsible for nominating candidates for the Board of Governors in accordance with Article IV, Section 1, Composition. Nominations for membership on the Board of Governors may also be made by a written petition as described in Article IV, Section 2.

The Nominating Committee is also responsible for nominating candidates for the Board offices. The Nominating Committee shall nominate a slate for Board officers no later than 120 days prior to the end of the fiscal year. After the nominees are chosen, the Secretary is responsible for the balloting of the membership for the Board vacancies. The Secretary is required to have all vacancies filled and personnel notified before the Board of Governors meeting that normally occurs in September.

The election of the Board shall be completed no later than June 15.

SECTION 2
FINANCE COMMITTEE

The Board of Governors plus the Treasurer shall function as the Finance Committee if no separate Finance Committee is appointed.

The powers and duties of this committee are to assist the Treasurer in the preparation of the annual budget and generally to supervise the collection and disbursement of funds. The Finance Committee shall meet twice a year.

SSPC operates on a fiscal year from January 1 to December 31.

SECTION 3
TECHNICAL COMMITTEES

A technical committee or unit committee is a standing group of no less than six members assigned to address a specific or general technical topic within the scope of SSPC. Activities of technical committees include developing consensus standards and providing forums for exchange of information on pertinent technical or regulatory issues. Technical committees shall be established following procedures in the SSPC Standards Development Manual.

Technical committees are open to all individuals interested in participating in the above activities. The principal officers of a technical committee are chairperson and secretary. Committee officers must be current SSPC members. The President with the approval of the Board shall appoint the chairperson.

SECTION 4 STANDARDS REVIEW COMMITTEE

This Committee will consist of a minimum of 6 members of SSPC, appointed by the President for a three-year term with the approval of the Board of Governors. The membership of this committee shall maintain a balance of interest (i.e., number of users plus general interest to equal or exceed the number of producers). The Standards Review Committee will determine if the standard is consistent with SSPC Bylaws and mission and in the overall best interests of SSPC and the industry before the standard is sent to the Board of Governors for approval.

The SSPC Standards Development Manual shall govern the actions of the Standards Review Committee. The Standards Development Manual and revisions thereto shall require approval by 2/3 majority of voting members of the Board.

NOTE: A Producer is a member predominantly interested in the production or sale, or both, of a material, product, or service. A User is a member predominantly interested in the use of a material, product, or service. A General Interest Member is one whose predominant interest is other than the above.

SECTION 5 GOVERNMENT AFFAIRS

This committee will consist of a minimum of six (6) members of SSPC assigned to address a specific or general government affairs topic within the scope of SSPC. The purpose of the Government Affairs Committee is to review proposed regulations and other legislation that may affect the protective coatings industry. Activities of the Government Affairs Committee include developing consensus reviews of regulations and legislation and providing forums for exchange of information on pertinent regulations and legislation issues. The Government Affairs Committee shall be created or abolished as needed by a majority vote of the SSPC Board of Governors.

The Government Affairs Committee is open to all SSPC members interested in participating in the above activities. The principal officers of the Government Affairs Committee are chairperson and secretary. The President, with the approval of the Board of Governors, shall appoint the chairperson.

SECTION 6 OTHER COMMITTEES

Subject to the approval of the Board of Governors, the President shall, as required, establish other standing, special, or subcommittees, and appoint chairpersons to direct those committees.

ARTICLE VIII LOCAL CHAPTERS

SSPC authorizes formation and operation of local chapters having as their purpose the furthering of the stated goals of SSPC in a particular geographical area. The local chapters shall be governed by an official operations manual that has been approved by a 2/3 majority of the voting members of the Board of Governors. Any revisions to this manual shall also require a similar 2/3-vote approval of the Board.

ARTICLE IX INDEMNIFICATION OF GOVERNORS, OFFICERS AND OTHERS

SECTION 1 RIGHT TO INDEMNIFICATION

To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of SSPC shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

Except as prohibited by law, every governor and officer of SSPC shall be entitled as of right to be indemnified by SSPC against expenses and any liability paid or incurred by such person in the defense of any actual or threatened claim, action, suit, or proceeding, civil, criminal, administrative, investigative, or other, whether brought by or in the right of SSPC or otherwise, in which he or she may be involved in any manner, as a party, witness or otherwise, or is threatened to be made so involved, by reason of such person being or having been a governor or officer of SSPC or of a subsidiary of SSPC or by reason of the fact that such person is or was serving at the request of SSPC as a governor, officer, employee, fiduciary or other representative of another corporation, partnership, joint

venture, trust, employee benefit plan or other entity (such claim, action, suit or proceeding hereinafter being referred to as "Action"). Persons who are not governors or officers of SSPC may be similarly indemnified in respect of service to SSPC or to another such entity at the request of SSPC to the extent the Board of Governors at any time designates any of such persons as entitled to the benefits of this Section. As used in this Article VIII, "indemnitee" shall include each governor and officer of SSPC and each other person designated by the Board of Governors as entitled to the benefits of this Article VIII, "expenses" shall include fees and expenses of counsel selected by an indemnitee, and "liability" shall include amounts of judgments, excise taxes, fines, penalties, and amounts paid in settlement. [For purposes of this Article VIII, the Executive Director of SSPC shall be deemed to be an officer.]

SECTION 2 NON-EXCLUSIVITY, NATURE AND EXTENT OF RIGHTS

The rights to indemnification provided for in this Article VIII shall (i) not be deemed exclusive of any other rights, whether now existing or hereafter created, to which any indemnitee may be entitled under any agreement or by-law, charter provision, vote of members or governor or otherwise, (ii) be deemed to create contractual rights in favor of each indemnitee who serves SSPC at any time while this Article VIII is in effect (and each such indemnitee shall be deemed to be so serving in reliance on the provisions of this Section), and (iii) continue as to each indemnitee who has ceased to have the status pursuant to which he or she was entitled or was designated as entitled to indemnification under this Article VIII.

SECTION 3 PARTIAL INDEMNITY

If an indemnitee is entitled under any provision of this Article VIII to indemnification by SSPC for some or a portion of the expenses or a liability paid or incurred by the indemnitee in the preparation, investigation, defense, appeal, or settlement of any Action or Indemnitee Action but not, however, for the total amount thereof, SSPC shall indemnify the indemnitee for the portion of such expenses or liability to which the indemnitee is entitled.

SECTION 4 APPLICABILITY OF ARTICLE

The provisions of this Article VIII shall be deemed to be a contract with each director of SSPC who serves as such at any time while this Article is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Article. Any amendment or repeal of this Article or adoption of any bylaw or provision of these Articles which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, bylaw or provision.

This Article VIII shall apply to every Action or other than an Action filed prior to January 27, 1987, except that it shall not apply to the extent that Pennsylvania law does not permit its application to any breach of performance of duty or any failure of performance of duty by an indemnitee occurring prior to January 27, 1987.

ARTICLE X AMENDMENTS TO THE BYLAWS

To the extent permitted by law, the Bylaws may be altered or repealed, and a new Bylaw or Bylaws may be made by the affirmative vote of a majority of the voting members of the Board of Governors of SSPC, provided, however, that written notice of such amendment shall have been given to each Board Member. Such notice shall show specifically the proposed alteration. Amendments to these Bylaws may be proposed by the Board of Governors or by a petition of three Supporting Members of SSPC. Voting may be by letter or at an Annual or Special Meeting of the Board of Governors.
