

BY-LAWS
OF
CHARLESTON DEFENSE CONTRACTORS ASSOCIATION

General
Article 1.

1.1. Applicability. These By-Laws provide for the governance of the Charleston Defense Contractors Association (“Association”), in accordance with the South Carolina Nonprofit Corporation Act of 1994 (“Act”) and the Articles of Incorporation filed with the South Carolina Secretary of State (“Articles”).

1.2. Name. The name of the corporation is Charleston Defense Contractors Association (the “Association”).

1.3. Principal Office. The principal office of the Association shall be located in the State of South Carolina. The Association may have such other offices, either within or outside the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

1.4. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Articles or the Act, as they may be amended, unless the context indicates otherwise. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

1.5. Purpose; Objectives. The purpose of the Association is to address issues and opportunities facing the Charleston metropolitan area and other surrounding regions (the “Community”) that support the defense and security of the United States. To promote the aforementioned purpose of the Association, the Association shall have the following objectives:

(a) To develop or improve the Community’s ability to enhance, attract, retain, and more effectively execute defense industry business development opportunities;

(b) To act as a liaison with local, state, and federal governmental agencies, elected officials, legislatures, and special groups and committees;

(c) To perform as an advocacy group for the Community and the defense industry in the Community; and

(d) To foster increased and improved interaction among defense contractors and between defense contractors and the Community for the accomplishment of better services to defense customers

Article 2.

Association: Membership, Meetings, Quorum, Voting, Proxies

2.1. Membership. There shall be three (3) types of Members in the Association: Corporate, Organizational and Affiliate Members. Corporate Members shall be voting Members in the Association and shall be entitled to one (1) vote per Member. Organizational Members are entities that have common interests with the CDCA but whose vote may present a perceived conflict of interest. Corporate or Organizational Members may designate any natural person who is an officer, director, manager, partner, or trustee to represent such entity or entities in the affairs of the Association. Affiliate Members are individuals, and not corporate entities, whose membership is non-transferable. Organizational and Affiliate Members shall be non-voting Members in the Association, but shall have all other rights and obligations of Membership in the Association. Members of the Association shall have knowledge of and interest in the development, advancement and recognition of Charleston organizations that support the defense and security of the United States. The Association may establish conditions and criteria for the admission of Members as it deems necessary from time to time.

2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors of the Association.

2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Subsequent regular meetings shall be held annually on a date and at a time set by the Board.

2.4. Special Meetings. The President may call special meetings. In addition, the President must call a special meeting if so directed by resolution of the Board or upon a petition signed by Members representing at least twenty-five percent (25%) of the total voting Members in the Association.

2.5. Notice of Meetings. Written notice stating the place, day, and time of any meeting of the Members shall be delivered, in writing, via email or other traceable means, to each Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the records of the Association, with postage prepaid.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member or the Member's proxy shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member or proxy specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. Any meeting of the Association may be adjourned for periods not exceeding ten (10) days by vote of Members holding at least fifty-one percent (51%) of the votes represented at such meeting, regardless of whether a quorum is present. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

2.8. Voting. Corporate Members shall be entitled to one (1) vote per Member and only if they are active and in good standing on the day of the initial call for vote. Affiliate and Organizational Members are not entitled to a vote.

2.9. Proxies. At all meetings of Members, each voting Member may vote in person (if a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then through any officer, director, manager, partner, or trustee duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of South Carolina law. All proxies shall be in writing specifying the Member for which it is given, signed by the Member or its duly authorized attorney-in-fact, dated and filed with the Secretary of the Association prior to any meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon termination of any Membership for which it was given, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member who is a natural person, or of written revocation, or eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.

2.10. Quorum. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Members representing twenty percent (20%) of the total votes in the Association shall constitute a quorum at all meetings of the Association. Except when a higher vote is required under these By-Laws, the vote of at least fifty-one percent (51%) of the Members present and eligible to vote shall constitute a decision of the Association.

2.11. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles or these By-Laws.

2.12. Action Without a Meeting.

(a) Action by Written Consent. Any action required or permitted by law to be taken at a meeting of the Association may be taken without a meeting, without prior notice and without a vote if written

consent specifically authorizing the proposed action is signed by Members holding at least eighty percent (80%) of the total vote in the Association. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of South Carolina. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting.

(b) Action by Written or Electronic Ballot. In the discretion of the Board, any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written or electronic ballot to every Member entitled to vote on the matter.

(i) A written or electronic ballot shall: (1) set forth each proposed action; and (2) provide an opportunity to vote for or against each proposed action.

(ii) Approval by written or electronic ballot pursuant hereto shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(iii) All solicitations for votes by written or electronic ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of directors; and (iii) specify the time by which a ballot must be received by the Association in order to be counted.

(iv) A written or electronic ballot may not be revoked. The Association shall maintain such ballots in its file for a period of at least three (3) years.

Article 3.

Board of Directors: Number, Powers, Meetings

3.1. General Powers. Except as otherwise provided by law or in the Articles, the property, affairs and business of the Association shall be managed by or under the direction of the Board of Directors.

3.2. Number, Term of Office, Qualifications and Professionalism. The number of Directors of the Corporation shall be not less than seven (7) or more than fifteen (15), as the Members shall determine from time to time. With the exception of the initial directors, who were appointed by the Incorporator, the Directors shall be elected, by a plurality vote for each, at the annual meeting of Members, and from a slate of candidate individuals employed by corporate members in good membership standing and designated to represent such Corporate Member at the time of the elections. Each Director shall be elected to a three (3) year term and eligible for re-election once. After six (6) consecutive years in office, the director shall be required to step down and will be ineligible to run again for one complete election cycle. Except as provided by law, each director shall continue in office until the annual meeting of Members held next after his term expires and until his successor shall have been elected and shall qualify, or until his earlier death, resignation or removal in the manner provided herein.

Directors shall represent the Association in a professional manner per the Code of Ethics as adopted or promulgated by the Board. Unprofessional conduct can be considered a violation of that Code and can result in disciplinary action up to Board removal as specified under Section 3.4.

3.3. Resignation. Any Director may resign at any time by giving written notice of such resignation to the President or the Secretary. Unless otherwise specified therein, such resignation shall take effect on receipt thereof by any such officer.

3.4. Removal of Directors. Any Director may be removed at any time, either with or without cause, by the affirmative vote of a majority of the Members then entitled to vote at a Special Meeting or at the next regularly scheduled Members' meeting. Any vacancy on the Board of Directors resulting from any such removal may be filled in the manner provided in Section 3.5 of this Article III. Directors may be recommended for removal either by the Board or by other corporate members in the manner provided herein.

(a) Nomination of Removal by Director. Any director may file a motion against another director and seek a director's removal from office. The director seeking the removal must first submit a written complaint to the Secretary, which includes a list of violations, citing any documents and/or other media, as well as other pertinent information such as dates of violations and the names of any other people involved. The Secretary shall record the information and notify the President of the complaint. The President shall call a special meeting of the Executive Committee to investigate the validity of the complaint and, by a simple majority vote of the committee, confirm or dismiss the merits of the motion. If the committee confirms the validity of the complaint, the President shall instruct the Secretary to provide written notification of the motion to the other directors. The Board will vote on the motion at a meeting specially called for the motion or at the next meeting where a quorum of Directors is present. If the motion passes, the President shall instruct the Secretary to distribute a recall ballot to the membership.

(b) Nomination of Removal by a Corporate Member. Any Corporate Member may file a motion against a Director and seek that Director's removal from office. The member seeking the Director's removal must first submit a written complaint to the Secretary, which includes a list of violations, citing any documents and/or other media, as well as other pertinent information such as dates of violations and the names of any other people involved. The complaint must also include the endorsements of no less than ten percent (10%) of the Corporate Membership. The Secretary shall record the information and notify the President of the complaint. The President shall then instruct the Secretary to provide written notification to the membership and to distribute a recall ballot.

3.5. Vacancies. If any vacancy shall occur on the Board of Directors by reason of death, resignation, removal or otherwise, such vacancy may be filled by the candidate with the next highest vote count from the previous election. The replacement Director must be currently employed by a corporate member in good membership standing. Any Director so elected to fill such a vacancy shall serve the remaining term of the Director whom he replaces. If the next available candidate either declines or is no longer affiliated with a Corporate Member company, the position shall be offered to the candidate with the next highest number of votes from the previous election.

3.6. Disassociated Director. If any Director apparently ceases to be associated with a corporate member company, he must notify the Secretary within five (5) days of the separation. The

Association will allow a sixty (60) day grace period for the Director to seek other employment and become the designated representative for a Corporate Member. After the sixty (60) day grace period, if the disassociated Director is not representing a Corporate Member, he will be deemed removed from the Board and a replacement may be named in a manner consistent with Paragraph 3.5.

3.7. Inactive Director. If any Director shall miss three (3) consecutive meetings of the Board without good cause, the Board shall have the right, by simple majority vote, to declare that position vacant, and proceed to fill the position in a manner consistent with Paragraph 3.5 to fill the unexpired term.

3.8. Duty of Loyalty. Each Director shall have the duty of loyalty to the Association. Specifically, each Director shall refrain from taking part in any activities, either individually or through director or officer positions in other entities, which compete with the activities or purpose of the Association, including, but not limited to, being a director or officer in another non-profit whose activities or purpose conflict with those of the Association, as shall be determined by a majority vote of the Board of Directors. Taking part in such activities, either individually or through director or officer positions in other entities, after the Board of Directors has made a determination that such activities constitute a conflict shall be considered cause for removal under Section 3.4 and the Board, collectively, shall be deemed to have recommended, with the Executive Committee's consent, that the Director be removed pursuant to Paragraph 3.4 (a).

3.9. Quorum. At all meetings of the Board of Directors, the presence in person or by telephone of a simple majority of the total number of Directors constituting the entire Board, shall be necessary and sufficient to constitute a quorum for the transaction of any business by the Board of Directors at such meeting, except as otherwise provided by law, by the Articles or by these By-Laws. At any meeting of the Board of Directors, no action shall be taken (except adjournment, in the manner provided below) until after a quorum has been established, except as otherwise provided by law, the Articles or these By-Laws. Except as otherwise provided by law, the Articles or these By-Laws, the act of a majority of Directors who are present at a meeting at which a quorum previously has been established (or at any adjournment of such meeting) provided that a quorum previously shall have been established at such adjourned meeting shall be the act of the Board of Directors, regardless of whether or not a quorum is present at the time such action is taken. In determining the number of directors who are present at the time any such action is taken, any Director who is in attendance at such meeting but who, for just cause, is disqualified, either by voluntary recusal or conflict of interest as determined by two-thirds (2/3) vote of the Board, to vote on such matter, shall not be considered as being present at the time of such action for the purpose of establishing the number of votes required to take action on any matter submitted to the Board of Directors, but shall be considered as being present for purposes of determining the existence of a quorum.

In the event a quorum cannot be established at the beginning of a meeting, a majority of the Directors present at the meeting may adjourn the meeting from time to time until a quorum is present. Only such notice of such adjournment need be given as the Board of Directors may prescribe.

3.10. Annual and Regular Meetings. As soon as practicable after the annual election of the Board of Directors and announcement at the annual meeting of Members, an annual meeting of the Board of Directors shall be held for the selection of officers and for the transaction of such other business as

may properly come before the meeting. No notice shall be required for any such meeting if held immediately after the adjournment and at the site of the meeting of Members. If not so held, notice shall be given in the same manner as required for special meetings of the Board of Directors. Additional regular meetings of the Board of Directors may be held without notice at such times and places (within or without the State of South Carolina) as the Board may on occasion determine by resolution duly adopted at any meeting of the Board.

3.11. Special Meetings. The President may, at any time, call a special meeting of the Board of Directors and such a meeting shall be called by the President or the Secretary on the written request of at least one-half of the Directors then in office, and shall be held at such time and place (within or without the State of South Carolina) as may be fixed by the President or such Directors in such request, as the case may be, provided that the time so fixed shall permit the giving of notice as provided in Section 3.12 of this Article III.

3.12. Notice of Special Meetings. Notice of the time and place of each special meeting of the Board of Directors shall be sent to each Director, in writing, via email or other traceable means, addressed to him at his address as it appears on the records of the Association, at least two days before the day on which the meeting is to be held, and the method used for notice of such special meeting need not be the same for each Director being notified. Unless otherwise provided by law, the Articles or these By-Laws, such notice need not state the purposes of the meeting.

3.13. Meeting Governance. The President shall preside over each meeting of the Board of Directors. In his absence or disability, the Vice President shall preside, or by such officer in the normal course of succession. In the absence or disability of the Secretary, the lowest ranking member of the Executive Committee shall act as secretary of the meeting.

3.14. Rules, Regulations and Authority. The Board of Directors may adopt such rules and regulations for the conduct of its meetings and for the management of the property, affairs and business of the Association as it may deem proper and not inconsistent with law, the Articles and these By-Laws.

3.15. Compensation. Directors shall not receive compensation for their services. The Association may on occasion reimburse Directors for expenses incurred in the furtherance of their duties, as shall be determined by the Board of Directors.

3.16. Remote Participation in Meetings. Directors may participate in meetings via telephone or similar conference communications device as long as all persons participating in the meeting can hear each other. Remote participation in a meeting shall constitute attendance at such meeting.

3.17. Written Consent in Lieu of Meeting. Any action required or permitted to be taken at any Board of Directors meeting may be taken without a meeting if written consent thereto shall be signed by all members of the Board then in office. Written consent shall be via email or other traceable means.

3.18. Waiver of Notice by Directors. Whenever any notice is required to be given by law, the Articles or these By-Laws to a member of the Board of Directors, a written waiver thereof signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to such notice. 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 any written waiver of notice unless so

required by law, the Articles or these By-Laws. A director's attendance at or participation in a meeting waives any required notice to him of the meeting unless the director at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Article 4. Officers

4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer. No one person may hold any two (2) or more offices concurrently.

4.2. Election and Term of Office. By majority vote consistent with its Regulations, the Board shall elect the officers of the Association at the first meeting of the Board following each annual meeting of the Members, to serve until their successors are elected. The Board may elect such other officers from the Board, including additional Vice Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, with such officers to have such authority and perform such duties as the Board prescribes. Board of Directors must have served at least one (1) year on the Board before being eligible for an officer position.

4.3. Removal and Vacancies. The Board of Directors may remove any officer, either with or without cause by two-thirds (2/3) vote of the Board. The Board of Directors may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term through majority vote consistent with its Regulations.

4.4. Duties, Roles and Responsibilities. The officers of the Association shall each have such duties, roles and responsibilities as defined in Section 3.13, or as may-be specifically conferred or imposed by the Board of Directors.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The director may continue to serve on the Board once the office is vacated.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

Article 5. Indemnification of Directors and Officers

The Association shall indemnify any Director or Officer of the Association to the fullest extent permitted by law except for acts of bad faith or reckless indifference to the interests of the Association.

Article 6. Committees

6.1. Appointment; Operation and Participation. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. The three types of committees will conduct business of the Association. They are the Executive Committee, the Standing Committees and Ad Hoc Committees.

6.2. Executive Committee. The Executive Committee shall be appointed by the Board of Directors. It shall consist of the President, Vice President, Secretary and Treasurer; plus one (1) other Board member. The Chairman of the Executive Committee shall at all times be the President. During intervals between Board meetings, the Executive Committee shall have delegated authority to make financial commitments on behalf of the Association. The Executive Committee shall not be authorized for financial commitments that exceed Ten Thousand Dollars. The Executive Committee may also exercise on non-financial matters between meetings of the Board. However, it cannot reverse previous decisions made by the Board.

6.3. Standing Committees. Standing Committees may be appointed by the Board of Directors and formed to deal with ongoing activities of the Association. Standing committees are considered to be an extension of the Board and require Board approval for the allocation of funds and actions. Each standing committee shall consist of a committee chair, a committee co-chair, at-large committee members and non-member volunteers. Standing Committees are identified as:

Communicator: The Communicator Committee will provide a communications medium for the Association to inform and improve membership, industry knowledge, and credibility. The Communicator will report on various activities and provide information about issues of interest to members, government employees, and industry.

Contracts Industry Council: The Contracts Industry Council (CIC) Committee will function as an advocate for the Association's membership at the periodic CIC meetings. The committee will collect input from the Association's membership for incorporation onto the monthly agenda and will disseminate information of meeting results to the association's membership by posting approved CIC meeting minutes to CDCA website.

Education: The Education Committee will enhance the technical capabilities of the Association in support of local DoD organizations. It is responsible for generating student interest, funding various educational initiatives and creating outreach to regional academia. The committee will promote and administer the Association's Summer Internship Program and also maintain awareness and complement/support other educational initiatives that are being undertaken by other organizations. The committee will be responsible for the execution of educational initiatives on behalf of the Association.

Events: The Events Committee will sponsor and encourage community events, projects, activities, services, programs, and public improvements which are of mutual interest and benefit to the Association, the defense industry, and the war-fighter. It will seek ways to host events and activities which promote/complement Association's objectives and promote the local defense industry.

Finance: The Finance Committee will provide the ongoing financial stability of the Association. This includes managing the routine A/P and A/R activities, planning & preparing short-term (current fiscal year) and long-term (three-year forward forecast) budgets, and reviewing, approving and monitoring ongoing funding of all committees. The Treasurer will hold the office of Finance Committee Chair and is charged with overseeing the budget, financial controls, investments and grants.

Membership: The Membership Committee will maintain the dues and membership structure. It also provides guidance to the Board with strategies to improve the membership of the Association. The committee will be responsible for reviewing eligibility criteria for membership and for making recommendations with regard to changes to membership categories and dues. The committee recommends to the Board strategies for growing membership and retaining current members.

Philanthropy: The Philanthropy Committee will provide opportunities for philanthropic activities and services to the community by reviewing current and future charitable organizations that the Association can support with donations aimed at helping the community and the war-fighter. It will continually provide philanthropic support to charitable organizations that benefit the community, our region and our war-fighters.

Political Relations: The Political Relations Committee will perform as an advocacy group for the defense industry in the Charleston metro area and other surrounding regions. It develops connections to local interest groups and individuals including local, state, and federally elected officials, chamber of commerce, technical development groups, professional military organizations and committees, as well as defense agency leadership. It takes action to provide information, solicit desired outcomes, and to promote issues in the best interest of the local defense community. It actively works in the best interest of SPAWAR Systems Center Atlantic and the Charleston Joint Base on Military Value, Transformation and in support of the Joint Warfighter. It researches and coordinates efforts to initiate special legislation that will help the various commands of the Charleston region to perform expanded or new missions. It also reports all of its activities and funding actions to its members in the Board's Annual Report along with any results or outcomes of said actions.

Public Relations: Public Relations Committee will present the mission, vision and values of the Association to the public. It will provide all official media contacts, speaking engagements, press releases, public affairs issues and other related contacts with the media on behalf of, or in representation of, the Association. It will develop all forward facing materials for the Association. The Vice President will hold the office of Public Relations Committee Chair.

Small Business: The Small Business Committee will foster increasing potential business base of small businesses for prime and subcontracting opportunities. The committee will develop a synergetic network of professional competent small businesses that have proven infrastructure, processes, program management and technical skills to successfully integrate their products and services as potential SB primes or subcontractors for peacetime and mission critical operations in support of the warfighter.

Strategic Think Tank: The Strategic Think Tank Committee will provide a venue for review and discussion of new ideas, programs, and direction of the Association. It will foster the development of innovative ideas, topics, or directions for any part of the Association.

Summit: The Summit Committee will plan, organize and execute all facets of the annual C5ISR Summit. It will host the annual Summit in support of the goals of the Association, primary customers, and the vision for the greater Charleston region.

Technology: The Technology Committee will support the strategic initiatives of the Association through effective and seamless integration of information technology into all appropriate functions of the Association. It will respond to the strategic technology needs of the Board, its committees, and our membership.

Ways, Means, and Rules: The Ways, Means, and Rules Committee will enhance operational effectiveness and maintain order within the Association. It is commissioned to ensure that all By-Laws and traditions of the Association are respected and maintained. The committee will also to make certain that parliamentary procedures are followed. The committee will examine and maintain all policies, processes, guides, rules, and regulations – whether documented or undocumented. It will oversee all matters relating to the process of raising revenue for the Association. The Secretary will hold the office of Ways, Means, and Rules Committee Chair.

(a) Standing Committee Membership. Membership within all standing committees shall be limited to employees of Corporate members. Affiliate members, by name, may also be recognized as committee members. Only those members will be allowed to participate in committee decisions requiring a vote.

Volunteers who do not hold a Corporate or Affiliate membership may participate in committee activities but shall be non-voting on committee decisions.

(b) Standing Committee Chair and Co-Chair Selection. Standing Committee Chair and Co-Chair positions will be selected by Board majority vote. . Candidate qualifications will be reviewed and discussed, with eventual selection at the first Board meeting after the general election. Non-Board members may be selected for Co-Chair positions but not allowed to allocate funds on behalf of the committee.

(c) Standing Committee Meetings. Standing Committees will meet on a monthly basis. Meeting invitations will be scheduled no later than one week prior to the meeting date with a courtesy copy provided to all Directors. The Executive Assistant will either be tasked to coordinate the meeting or provided a courtesy copy of the meeting invite. Modifications to the frequency of the monthly meeting schedule may be approved by the Board.

(d) Standing Committee Minutes and Reporting. Standing Committees will be required to maintain minutes of all meetings and also report on any progress at the next Board meeting. The Executive Assistant will either be tasked to record the meeting minutes or a committee member will be designated to perform that function. At a minimum, the Executive Assistant and Secretary will be provided a courtesy copy of meeting minutes no later than two weeks after the committee meeting.

6.4 Ad Hoc Committees. Ad Hoc Committees will be appointed by the Board of Directors. Ad Hoc Committees will be formed and eventually dissolved to deal with short-term issues of the Association. The meeting frequency of the Ad Hoc Committee will be determined by the Board at time of

formation. The body of the committee shall consist of a chair, a co-chair, committee members and at-large volunteers. The Internal Audit Committee will be a reoccurring Ad Hoc Committee.

Internal Audit Committee: The internal audit committee will assist the Board in fulfilling its oversight responsibility with respect to the financial reporting process, system of internal control, the audit process, and the Association's process for monitoring compliance with laws, regulations, and Code of Ethics. The committee will provide independent assurance and assistance to the Board on risk management, control, governance, external accountability responsibilities, and ethics across all aspects of the Association.

Article 7. Miscellaneous

7.1. **Fiscal Year.** The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

7.2. **Conflicts.** If there are conflicts between the provisions of South Carolina law, the Articles and these By-Laws, the provisions of South Carolina law, the Articles of Incorporation and the By-Laws (in that order) shall prevail.

7.3. **Severability.** The invalidation of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

7.4. **Financial Review.** A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board, and a financial statement shall be prepared and presented to the Members at the annual meeting. However, after having received the Board's financial statement review at the annual meeting, the Members may, by a vote of a majority of the voting Members of the Association, require that the accounts of the Association be audited by an independent accountant.

7.5. **Books and Records.**

(a) **Inspection by Members and Mortgagees.** The Board shall make available for inspection and copying by any Corporate or Affiliate Member, or the duly appointed representative of the foregoing, at any reasonable time and for a purpose reasonably related to its membership: the By-Laws and Articles, any amendments to the foregoing, the rules of the Association, books of account, the minutes of meetings of the Members, the Board and committees, and the Association's corporate books and records. The Board shall provide for such inspection to take place at the office of the Association or at such other place as the Board shall designate.

(b) **Rules for Inspection.** The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Each Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

7.6. Notices. Except as otherwise provided in these By-Laws, all notices, demands, bills, statements, and other communications under these By-Laws shall be in writing, via email or other means and shall be deemed to have been duly given once sent:

(a) if to a Member, at the mailing address or email address which the Member has filed with the Secretary; or

(b) if to the Association or the Board of Directors, at the principal office of the Association, or at such other address as shall be designated by notice in writing to the Members pursuant to this section.

7.7. Amendment. These By-Laws may be amended, altered or repealed by the Members of the Association by a two-thirds (2/3) vote of the Members, provided that the notice of any meeting at which it is proposed that these By-Laws be amended, altered or repealed specifically set forth the proposed action and be given at least thirty (30) days prior to any such meeting.

Article 8. Prohibition

No part of the net earnings of the Association shall inure to the benefit of or be distributable to its Members, directors, officers, or other persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article I hereof. Notwithstanding any other provision of these By-Laws, the Association shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law).

Article 9. Dissolution

Upon dissolution of the Association consistent with law, the remaining assets of the Association shall be distributed to some other nonprofit exempt organization as in the judgment of the Board of Directors most similarly serves the same purposes as the Association.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Charleston Defense Contractors Association, a South Carolina nonprofit corporation;

That the foregoing By-Laws constitute the current By-Laws of said Association, all Amendments having been duly approved by two-thirds (2/3) vote of the membership as required by these By-Laws, the last of which was on the 18th day of July, 2014.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 18th day of July, 2014.

Secretary: _____

