

BYLAWS
OF
SPECIALTY EQUIPMENT MARKET ASSOCIATION

Adopted: April 25, 1979
Amended: August 28, 1979
November 12, 1979
January 29, 1980
June 6, 1980
June 18, 1980
August 5, 1980
May 15, 1981
August 21, 1981
November 29, 1981
July 30, 1982
July 21, 1983
October 14, 1984
January 23, 1985
April 3, 1985
October 4, 1985
November 18, 1986
July 30, 1987
July 20, 1988
May 9, 1989
November 26, 1989
July 31, 1991
November 1, 1992
September 24, 1994
March 26, 1997
May 16, 2002
January 23, 2009
July 22, 2010
March 3, 2011
July 29, 2011
January 10, 2012
July 26, 2013
May 15, 2014
July 24, 2015
May 12, 2016
May 18, 2017

SPECIALTY EQUIPMENT MARKET ASSOCIATION

BYLAWS

TABLE OF CONTENTS

ARTICLE I	Name and Headquarters	1
ARTICLE II	Definitions	1
ARTICLE III	Objects and Purposes of SEMA	1
ARTICLE IV	Membership	
	Section 1: Qualification for Membership	2
	Section 2: Types of Membership	2
	Section 3: Membership Application	3
	Section 4: Rights & Privileges of Membership	3
	Section 5: Tenure of Membership	3
	Section 6: Representatives	4
ARTICLE V	Dues	4
ARTICLE VI	Membership Meetings	
	Section 1: Annual Meeting	4
	Section 2: Special Meetings	4
	Section 3: Notice	5
	Section 4: Quorum	5
	Section 5: Voting	5
	Section 6: Voting by Written Ballot	5
ARTICLE VII	Board of Directors	
	Section 1: General Powers	5
	Section 2: Composition	6
	Section 3: Nominations	6
	Section 4: Election of Directors	6
	Section 5: Term of Office	6
	Section 6: Vacancy	6
	Section 7: Resignation and Removal	7
	Section 8: Meetings of the Board of Directors	7
	Section 9: Notice	7
	Section 10: Quorum	7
	Section 11: Voting	7
	Section 12: Meeting Agenda	7

Section 13:	Duties and Powers of the Board	7
Section 14:	Expenses	8

ARTICLE VIII

Officers

Section 1:	Officers	8
Section 2:	Qualifications of Chairman of the Board	8
Section 3:	Appointment of the Chairman of the Board	8
Section 4:	Term of Chairman of the Board	8
Section 5:	Powers and Duties of the Chairman of the Board	8
Section 6:	Removal or Resignation of Officers	9
Section 7:	Vacancies	9
Section 8:	Qualifications of the Chair-Elect	9
Section 9:	Election of the Chair-Elect	9
Section 10:	Term of the Chair-Elect	9
Section 11:	Powers and Duties of the Chair-Elect	9
Section 12:	Qualifications of the Secretary	10
Section 13:	Appointment of the Secretary	10
Section 14:	Term of Secretary	10
Section 15:	Powers and Duties of the Secretary	10
Section 16:	Qualifications of the Treasurer	10
Section 17:	Appointment of the Treasurer	10
Section 18:	Term of Treasurer	10
Section 19:	Powers and Duties of the Treasurer	11
Section 20:	Vacancies	11
Section 21:	Expenses	11

ARTICLE IX

Nominations and Election Procedure

Section 1:	Nominating Committee	11
Section 2:	Ineligibility of Members	12
Section 3:	Nominating Procedures	12
Section 4:	Additional Nominations	12
Section 5:	Election Procedures	12

ARTICLE X	President		
	Section 1:	President	13
	Section 2:	Powers and Duties of the President	13
ARTICLE XI	Committees		
	Section 1:	Formation	13
	Section 2:	Expenses	13
	Section 3:	Standing Committees	14
	Section 4:	Executive Committee	14
ARTICLE XII	Councils		14
ARTICLE XIII	Fiscal Year		14
ARTICLE XIV	Order of Business		14
ARTICLE XV	Amendments		14
ARTICLE XVI	Proxies		15
ARTICLE XVII	Indemnification		15
ARTICLE XVIII	Dissolution		15

**ARTICLE I:
NAME AND HEADQUARTERS**

The name of the organization shall be the Specialty Equipment Market Association, hereinafter referred to as SEMA, having been incorporated under the nonprofit corporate laws of the State of California on May 13, 1963, as the Speed Equipment Manufacturers Association.

SEMA shall be a voluntary membership corporation and shall have no capital stock. The corporation shall not be conducted for profit, and shall be exempt from payment of federal income tax, and no part of the revenue shall inure to the benefit of any member(s) as such.

The principal office of SEMA shall be in such location as shall be designated by the Board of Directors, and additional offices may be established in such other places as shall be designated from time to time by the Board of Directors.

**ARTICLE II:
DEFINITIONS**

Entity for purposes of these bylaws, shall mean a proprietorship, firm, partnership, corporation, association, trust, trustee or receiver.

Specialty Equipment, for purposes of these bylaws, shall mean automotive, motorcycle, marine and aircraft parts, accessories, systems, components or combinations thereof which are produced or distributed by the specialty-parts industry.

Specialty Parts Industry, for purposes of these bylaws, shall mean those entities eligible for active membership in SEMA.

Written and writing, for purposes of these bylaws, shall mean any form of recorded message capable of comprehension by ordinary visual means and shall include electronic transmissions.

**ARTICLE III:
OBJECTS AND PURPOSES OF SEMA**

SEMA is organized and functions for the benefit and advancement of the motor-vehicle aftermarket.

SEMA's mission is to help our members (businesses) succeed and prosper.

Specific purposes of SEMA include the following:

- (a) To collect and disseminate information of interest to members of SEMA;
- (b) To represent the specialty-parts industry before legislative bodies, governmental agencies, public organizations, trade associations and other entities;

- (c) To hold regular meetings within the specialty-parts industry for the review of professional papers, interchange of knowledge, expressions of opinions and general discussions;
- (d) To aid in public education, regional and national trade shows, and other means and methods which achieve the promotion of the manufacture and distribution of specialty equipment as defined herein;
- (e) To sanction, produce or co-produce trade shows of benefit to the specialty-parts industry.

ARTICLE IV: MEMBERSHIP

SECTION 1: Qualification for Membership: The membership of SEMA shall consist of entities engaged in the manufacture, and/or sale, of specialty equipment or vehicles consisting of specialty equipment as well as persons rendering essential services to, or for, the performance and specialty parts industry. Eligibility and continued qualification for membership is contingent on compliance with these bylaws.

SECTION 2: Types of Membership: The membership of SEMA shall consist of the following types and classes:

ACTIVE MEMBER (Voting): Active membership shall be by class in accordance with the descriptions which follow:

MANUFACTURING: Any entity actively engaged in the manufacture and sale of any product produced for the automotive, motorcycle, marine or aircraft industry. Category also includes publishing companies and trophy, decal and related novelty items manufacturers. Category also includes distributors serving as sole or exclusive distributors for a manufacturer. Classes of membership within this category shall be determined on the basis of sales volume criteria as may, from time to time, be established by the Board of Directors.

DISTRIBUTOR/RETAILER: Any entity actively engaged in the distribution of automotive, motorcycle, marine or aircraft aftermarket products or services. Category includes warehouse distributors, jobbers, retailers and dealers.

MANUFACTURERS' REPRESENTATIVE/ORGANIZATIONS: Any entity involved in the sale or representation of a manufacturers' product(s), specifically recognized as a manufacturers' representative or manufacturers' representative organization.

SERVICES: Any entity actively engaged in providing services to businesses in the automotive, motorcycle, marine or aircraft aftermarket. Category includes any corporation serving as advertising agents; autosport

(sanctioning) organizations; race facilities; promoters; and car show production organizations.

SUPPORTING MEMBER:(Non-Voting): Autosports clubs, trade associations and suppliers to member companies who are not eligible to join as regular members. Members in this category are not eligible to exhibit in the association trade shows.

HONORARY MEMBER(Non-Voting): Those individuals who, because of their performance, industry contributions or qualifications, are granted Honorary Membership by affirmative vote of the Board of Directors.

SECTION 3: Membership Application: Application for membership in SEMA must be made on forms approved by SEMA, must be submitted to the principal office of SEMA and must be accompanied by payment of one year's dues except as otherwise provided by these bylaws. If membership is denied, the applicant shall be provided the reason(s) for denial.

Upon the rejection of an application for membership, the President shall give notice to the applicant of his or her right to present a request for reconsideration and to present a written rebuttal to the reasons for the rejection and/or to have a hearing thereon before the Board of Directors. If a hearing is requested, a notice containing the time and place of the meeting of the Board of Directors at which the hearing will be conducted shall be mailed to the applicant by registered mail at least thirty (30) days before the meeting. The notice shall inform the applicant of his or her opportunity to appear or be represented and to present any defense or rebuttal to reasons tendered for rejection of Membership status.

The Board of Directors will reconsider any application for Membership when a request for reconsideration is submitted with either a written rebuttal or a request for oral hearing. The reconsideration shall be had at the next regularly scheduled meeting of the Board or at a meeting of the Board called for the purpose of reconsidering the application but in no case sooner than thirty (30) days from the date of notification of the applicant of the meeting.

SECTION 4: Rights and Privileges of Membership: To the extent that rights and privileges of Active and Supporting Members are not defined by the Articles of Incorporation, these bylaws, and the laws of the State of California, the Board of Directors may from time to time determine such rights and privileges with such distinctions between categories of Membership as shall be warranted.

SECTION 5: Tenure of Membership: Membership in SEMA shall be continuous unless terminated by resignation or otherwise as provided by these bylaws.

Any member may resign, provided written notice of such intention to resign shall have been received at the SEMA offices and all dues and other obligations to SEMA, to and including the date of resignation, are paid in full. All rights and privileges of a member shall cease upon the submission of such resignation.

A member may be suspended for a determined period of time, or expelled for cause, including violation of the bylaws and/or policies and rules of SEMA, conduct not befitting the

best interests of SEMA, or for nonpayment of dues and other membership assessments. Except in cases of nonpayment of dues, suspension or termination of membership shall be by a vote of the Board of Directors, provided that a statement of charges is furnished by registered mail to the member, in which statement all charges are explained and defined. Such notice shall be mailed not less than fifteen (15) days before final action is taken on his or her case by the Board of Directors. The statement furnished to the member shall contain a notice of the time and place of the Board of Directors' meeting where action will be taken on the proposed suspension or expulsion of the member, and the member shall be advised of his privilege to present a defense to the statement of charges at such Board of Directors' meeting. A member may be represented at such meeting by his or her representative. Suspension or termination of membership for nonpayment of dues shall be undertaken as provided for in Article V, Section 4.

SECTION 6: Representatives: Each SEMA member shall appoint and certify upon initial application for membership in SEMA a representative whom shall serve as the representative of the Member to SEMA.

ARTICLE V: DUES

SECTION 1: All dues, fees and assessments shall be determined by the SEMA Board of Directors.

SECTION 2: Special assessments shall be charged Active Members and/or Supporting Members when approved by a vote of the Board of Directors.

SECTION 3: Dues shall be paid in full at time of application for membership and annually thereafter except that Members may make quarterly or semi-annual payments in the Active Membership categories. Any Active Member whose dues are in arrears shall not be eligible for the SEMA Show exhibitors' discount.

SECTION 4: Notice of all dues payments shall be sent prior to the date payment becomes due. A second notice shall be sent to Members whose dues are still outstanding thirty (30) days prior to due date, followed by two (2) additional past due notices when dues are delinquent. If any Member's dues remain delinquent for a period of forty-five (45) days, the membership shall be terminated.

ARTICLE VI: MEMBERSHIP MEETINGS

SECTION 1: Annual Meeting: The annual meeting of the general Membership shall be held at any time during the year, the date and location of which shall be determined from time to time by the Board of Directors. The annual meeting of the general Membership shall not be adjourned until all business of the Association has been completed.

SECTION 2: Special Meetings: Special meetings of the Membership may be called by five members of the Board of Directors at a time and place specified by them. A special meeting shall be called by the Chairman of the Board at a time and place to be specified by the Chairman

of the Board in response to a written request of at least five percent (5%) of the Active Members. Written requests must state the purpose(s) or reason(s) for the special meeting.

SECTION 3: Notice: Written notice of all meetings shall be transmitted to each member at the address of the member as it appears in SEMA records no later than thirty (30) days prior to the date of the meeting. Written notice of all special meetings shall be provided in the same fashion not less than twenty (20) working days prior to the date of the meeting. The notice shall contain the meeting place, date and time, and the way in which members may participate electronically, if any, in that meeting. In the case of a special meeting, the purpose(s) for the meeting shall be listed and no other business shall be conducted. Attendance at a meeting by a member shall constitute waiver of notice, unless the purpose of attendance, stated in writing, is to protest lack of due and proper notice.

SECTION 4: Quorum: At any meeting of the Members, one-third of the Active Members present, whether represented by their representative or by proxy, shall constitute a quorum for the transaction of business, except as may be otherwise expressly required by law or by the bylaws. Members not physically present in person or by proxy at a meeting of the Members may be deemed present if participating electronically. If a quorum shall not be present, a majority of the total number of Active Members present by representative or by proxy, or, in the absence of all such Members, any Officer entitled to preside at or act as Secretary for such meeting, may adjourn such meeting from time to time, without notice other than by announcement at the meeting, until a quorum shall be present. If a quorum is subsequently present, the meeting may be called to order.

SECTION 5: Voting: Each Active Member shall be entitled to one vote to be cast by the member's representative or by proxy except that any Active Member whose dues are not currently paid shall not be eligible to vote.

A vote of the majority of those present and voting in person or by proxy and entitled to vote at any meeting shall be necessary for the adoption of any matter voted upon by the Members.

SECTION 6: Voting by Written Ballot: The Board of Directors may offer any proposals to Members for consideration and voting by written ballot now or hereafter available to the membership when it appears inadvisable or impractical to call a meeting for such purpose. The question thus stated and submitted by the Board shall be determined according to a majority of the votes received from Active Members within one hundred twenty days (120) days after the transmission thereof to the Members, provided that in each case the votes of at least one-third of the Active Members shall be received. The written ballot and any related material may be sent by electronic transmission and responses may be returned by electronic transmission. Any and all action taken in pursuance of any such vote shall be binding upon the Association.

ARTICLE VII: BOARD OF DIRECTORS

SECTION 1: General Powers: The Board of Directors shall be vested with the full authority of SEMA and the authority to govern SEMA and exercise full power in the management of the business, affairs and concerns of SEMA.

SECTION 2: Composition: The Board of Directors of SEMA shall consist of the representatives of ten (10) Active Members. Five (5) Directors shall represent manufacturers, three (3) Directors shall represent distributors/retailers, one (1) Director shall represent manufacturers' representatives, and one (1) Director shall represent the Services category. In addition, the Board shall have at its discretion the ability to add a set of seats consisting of one (1) manufacturer director and one (1) distributor/retailer director at any point in time in the future. From time to time, the Board of Directors may assign non-voting seats to industry members who represent various classes of membership.

Representation on the SEMA Board of Directors is limited to one representative of a corporate entity except that conglomerates or parent companies with several subsidiary companies, which are individual dues-paying members of SEMA, may be represented by no more than two (2) individuals, provided those individuals are not from the same company within the conglomerate.

Any member of the Board who shall cease being the representative of an Active Member in a particular membership category and shall fail to become the representative of another Active Member in the same membership category within four (4) months thereafter, shall resign from the Board by written resignation submitted to the Chairman of the Board. In the event such Director shall not submit such resignation, the Board shall acknowledge the ineligibility of such Director and remove the Director from the Board.

SECTION 3: Nominations: Nominations of candidates for membership on the Board of Directors shall be made by the Nominating Committee or by written petition according to the procedures described in Article IX.

SECTION 4: Election of Directors: Directors shall be elected to the SEMA Board of Directors by written ballot of the Active Members, according to the procedures described in Article IX.

SECTION 5: Term of Office: Directors elected to office shall serve an initial three-year term and may be re-elected for a second three-year term, and serve no more than two consecutive terms in office; and after having served two consecutive terms, may be re-elected to office in accordance with the same term limits following a minimum continuous break in service of two years. No person shall serve as a Member of the Board for a period of more than six (6) consecutive years. The term of office for Directors shall commence during the first Board meeting following July 1 in the year in which the election occurs. The term of office shall end when the Directors' successors take office.

SECTION 6: Vacancy: In the event of a vacancy on the Board of Directors by reason of death, resignation, disqualification, removal or other cause, a new Director shall be elected as is provided for in Article IX, Section 5. In the event no candidate shall be eligible for election as is provided for in Article IX, Section 5, a new Director shall be selected by majority vote of the Board of Directors from candidates nominated by the Chairman of the Board and/or members of the Board to serve the unexpired term. If the unexpired term has at least one (1) year remaining, then this term shall constitute one (1) of the two (2) terms a Director may serve consecutively under Section 5 of this Article.

SECTION 7: Resignation and Removal: Any Director may resign from the Board of Directors at any time upon submitting a written resignation to the Chairman of the Board. All such resignations shall be accepted. Any Director may be removed from office with or without cause at any time upon a vote of two-thirds of the Active Members at a meeting of the Active Members called for the purpose of voting on the removal of the Director. A replacement Director will be elected as provided for in Article IX, Section 5.

SECTION 8: Meetings of the Board of Directors: The regular meetings of the Board of Directors shall be held at times and in places as may be decided from time to time by the Board of Directors. Special Meetings of the Board of Directors may be called by the Chairman of the Board or by five (5) or more Members of the Board and shall be held at a time and in a place to be determined by the Chairman of the Board. Any meeting may be closed by a majority vote of those present to exclude all but the Chairman of the Board, Chair-Elect, Secretary, Treasurer, Members of the Board and those considered necessary for the transaction of business by the Board.

SECTION 9: Notice: Written notice of any meeting of the Board of Directors shall be sent to each Director not less than thirty (30) days prior to the meeting. Notice of special meetings shall contain the agenda of the meeting and no other business shall be conducted. Attendance at a meeting by a Director shall constitute waiver of notice, unless the purpose of attending, stated in writing, is to protest lack of due and proper notice. A Director also may waive notice in writing.

SECTION 10: Quorum: A majority of the Board of Directors, without regard for vacancies, shall constitute a quorum of the Board of Directors for the purpose of transacting business at any Board meeting. Except as otherwise provided in these bylaws or as may be required by law, the acts of a simple majority of the Directors present and voting at any Board meeting shall constitute an act of the Board of Directors. If during a Board of Directors' meeting, a quorum shall not be present, any Officer may adjourn such meeting until a quorum shall be present.

SECTION 11: Voting: Each Board Member shall have one (1) vote in deciding the business of the association. No Board Member shall cast a vote by proxy or by an alternate.

SECTION 12: Meeting Agenda: Directors may request that specific topics be included in the agenda for the meetings of the Board of Directors. Such requests shall be granted and such topics shall be included on the agenda for consideration by the Board of Directors if received by the Chairman of the Board no less than fifteen (15) days prior to the Board meeting.

SECTION 13: Duties and Powers of the Board:

(a) The Board of Directors shall have the power to select, employ and terminate the President. With respect to all employees except the President, this power is delegated to the President.

(b) The Board of Directors may authorize any officer or employee to serve as agent of SEMA, beyond the authority conveyed upon Officers by these bylaws, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, SEMA, and such authority may be general or confined to specific powers in specific events.

SECTION 14: Expenses: Expenses incurred by Members of the Board in performing their duties as Directors shall be reimbursed by SEMA as may from time to time be directed by the Board of Directors.

ARTICLE VIII: OFFICERS

SECTION 1: Officers: The Officers of SEMA shall be the Chairman of the Board, the Chair-Elect, the Secretary and the Treasurer. The Chairman of the Board and the Chair-Elect of SEMA may not simultaneously hold the office of member of the Board of Directors.

SECTION 2: Qualifications of Chairman of the Board: The Chairman of the Board must be the representative of an active member. No person shall be eligible to take office as Chairman of the Board unless they have been elected by the Membership to a full two-year term as Chair-Elect of the Board and shall have served in such office immediately prior to becoming Chairman of the Board.

SECTION 3: Appointment of the Chairman of the Board: In the event of a vacancy in the office of Chairman of the Board as a result of the completion of a term in office, by resignation or any other reason, the Board of Directors must appoint as Chairman of the Board that person who meets the qualifications of Article VIII Section 2, if there is a person who meets the qualifications of Article VIII, Section 2. If no person meets those qualifications, the Board of Directors shall fill the office of Chairman of the Board as provided in Article VIII, Section 7.

SECTION 4: Term of Chairman of the Board: The term of office of the Chairman of the Board shall commence during the first board meeting following July 1 in the year in which the election occurs. The term of office shall end when the Chairman of the Board's successor takes office. The term of office of the Chairman of the Board shall be two years. The Chairman of the Board shall be an ex-officio member of the Executive Committee and Board of Directors for two (2) years after his/her term of office.

SECTION 5: Powers and Duties of the Chairman of the Board:

(a) The Chairman of the Board shall serve as Chairman of the Board of Directors and Chairman of the Executive Committee and shall preside at all general membership meetings of SEMA, at all meetings of the Board of Directors and all meetings of the Executive Committee. The Chairman of the Board shall have the right to vote at meetings of the Board of Directors.

(b) The Chairman of the Board shall see that all orders and resolutions of the Board of Directors are carried into effect.

(c) The Chairman of the Board shall perform such other duties as are defined in these bylaws and as may be assigned to him from time to time by the Board of Directors.

(d) The Chairman of the Board shall have authority for the general management of the business of SEMA.

(e) The Chairman of the Board shall be the Chairman of the Executive and Compensation Review Committees.

(f) The Chairman of the Board shall give the President of the Association an annual performance review.

SECTION 6: Removal or Resignation of Officers; Chairman of the Board, Chair-Elect, Secretary and Treasurer: The Chairman of the Board, Chair-Elect, Secretary or Treasurer may resign at any time by giving written notice thereof to the Board of Directors, and such resignation shall take effect upon acceptance of the Board of Directors. The Chairman of the Board and Chair-Elect may be removed from office with or without cause at any time upon a vote of two-thirds of the Active Members at a meeting called for the purpose of voting on the removal of that respective officer. The Secretary or Treasurer may be removed from office with or without cause at any time upon an affirmative vote of a simple majority of the Directors present and voting at any Board meeting.

SECTION 7: Vacancies: In the event a vacancy occurs in the position of Chairman of the Board during the first year of the two-year term of office, the previous Chairman of the Board shall automatically become the Chairman of the Board until the completion of that first year of the two-year term. Effective the first day of the second year of the vacated two-year term of office, or any time thereafter, the Chair-Elect of the Board shall be appointed the Chairman of the Board by the Board of Directors. The time served in completing the prior Chairman's term shall not be considered as part of the scheduled two-year term of office of the incoming Chairman of the Board. In the event a vacancy occurs in the position of Chair-Elect of the Board, the Board of Directors shall hold a special election by the membership to fill that vacancy for the unexpired term of office.

SECTION 8: Qualifications of the Chair-Elect: The Chair-Elect of the Board must be the representative of an active member.

SECTION 9: Election of the Chair-Elect: The Chair-Elect shall be elected to office as is provided for in Article IX and this Article, Section 7.

SECTION 10: Term of the Chair-Elect: The term of the Chair-Elect of the Association shall be for two (2) years. The term of office of the Chair-Elect of the Board shall commence during the first Board Meeting following July 1 in the year in which the election occurs. The term of office shall end when the Chair-Elect of the Board's successor takes office.

SECTION 11: Powers and Duties of the Chair-Elect:

(a) The Chair-Elect shall attend all general membership meetings of SEMA, all meetings of the Board of Directors and all meetings of the Executive Committee.

(b) The Chair-Elect of the Board shall be eligible to vote at meetings of the Board of Directors.

(c) The Chair-Elect shall, in the absence of the Chairman of the Board, preside at all meetings and assume the powers and duties of the office of the Chairman of the Board.

(d) The Chair-Elect shall perform such other duties as are defined in these bylaws and as may be assigned to him/her from time to time by the Board of Directors.

SECTION 12: Qualifications of the Secretary: The Secretary of the Board may but need not be the representative of an Active Member.

SECTION 13: Appointment of the Secretary: The Secretary shall be appointed by the Chairman of the Board and approved by the Board of Directors. The Chairman of the Board may choose to appoint the immediate past Chairman of the Board to serve as Secretary.

SECTION 14: Term of Secretary: The term of office of the Secretary of the Board shall be for two (2) years. The term of office of the Secretary of the Board shall commence during the first Board Meeting following July 1 in the year in which the appointment occurs. The term of office shall end when the Secretary of the Board's successor takes office.

SECTION 15: Powers and Duties of the Secretary:

(a) The Secretary shall attend all general membership meetings of SEMA, all meetings of the Board of Directors and all meetings of the Executive Committee and shall record, or cause to be recorded, all minutes of the proceedings of such meetings. The Secretary shall perform like duties for other Committees of SEMA when required.

(b) The Secretary shall keep or cause to be kept a current register of the address of each Member of SEMA as well as any other information which may be required by law.

(c) The Secretary shall keep, or cause to be kept, in safe custody, the seal of SEMA, which the Board of Directors may adopt, and when authorized by the Board, affix the same to any instrument requiring a seal, and when so affixed, it shall be attested by his/her signature or by the signature of the President.

(d) The Secretary shall oversee the governance procedures of the Board of Directors and be responsible for the generative thinking aspect of all meetings of the Board of Directors.

(e) The Secretary shall perform such other duties as are defined in these bylaws and as may be assigned to him/her from time to time by the Board of Directors.

SECTION 16: Qualifications of the Treasurer: The Treasurer of the Board may but need not be the representative of an Active Member.

SECTION 17: Appointment of the Treasurer: The Treasurer shall be appointed by the Chairman of the Board and approved by the Board of Directors.

SECTION 18: Term of Treasurer: The term of office of the Treasurer of the Board shall be for two (2) years. The term of office of the Treasurer of the Board shall commence during the first Board Meeting following July 1 in the year in which the appointment occurs. The term of office shall end when the Treasurer of the Board's successor takes office.

SECTION 19: Powers and Duties of the Treasurer:

(a) The Treasurer shall attend all general membership meetings of SEMA, all meetings of the Board of Directors and all meetings of the Executive Committee.

(b) The Treasurer shall have custody of SEMA's funds and securities and shall keep, or cause to be kept, full and accurate accounts of receipts and disbursements in books belonging to SEMA.

(c) The Treasurer shall render to the Chairman of the Board and the Board of Directors at such regular meetings of the Board or whenever they may require it, an account of all his/her transactions as Treasurer and of the financial condition of SEMA. The books, records of funds, vouchers and other instruments of accounting shall be available for inspection and verification of the Board of Directors whenever they may require it. The Treasurer shall provide no information under his control to any other person except as may be required by law, compulsory process, or as may be directed from time to time by the Board of Directors.

(d) The Treasurer shall submit, or cause to be submitted, a financial statement of SEMA annually or at the request of the Board of Directors. Additionally, the Treasurer shall arrange for an annual accounting review of the books of SEMA at the end of each fiscal year by a firm of certified public accountants selected by the Board of Directors.

(e) The Treasurer shall chair the Audit Review Committee.

(f) The Treasurer shall perform such other duties as are defined in these bylaws and as may be assigned to him/her from time to time by the Board of Directors.

SECTION 20: Vacancies: In the event of a vacancy in the office of Secretary or Treasurer, the vacancy shall be filled as is provided for in Article VIII, Section 13.

SECTION 21: Expenses: Expenses incurred by the officers of the association in performing their duties as officers shall be reimbursed by SEMA as may from time to time be directed by the Board of Directors.

**ARTICLE IX:
NOMINATIONS AND ELECTION PROCEDURE**

SECTION 1: Nominating Committee: No less than fifteen (15) days in advance of the last Board of Directors meeting in the calendar year, the Executive Committee shall propose candidates to the Board of Directors to serve on the Nominating Committee. The Executive Committee shall recommend one person to be Chairman and six (6) persons to be committee members, three (3) of whom shall be current members of the Board of Directors and three (3) of whom shall be from the membership at large. The candidates shall be presented to the Board of Directors for their approval. If the Board of Directors does not approve of the candidates submitted by the Executive Committee, they shall make changes to the slate as determined by majority vote. The Executive Committee shall appoint candidates to serve on the Nominating Committee who represent all classes of Membership. The Chairman of the Board shall not be eligible to be a member of the Nominating Committee.

SECTION 2: Ineligibility of Members: All members of the Nominating Committee, upon agreeing to serve on the committee, are disqualified from being eligible for a nomination by the Nominating Committee, Executive Committee, Board of Directors or by petition as provided in Section 3 of this Article IX, to run for the post of Member of the Board during the election for which they are nominating candidates.

SECTION 3: Nominating Procedures: The Nominating Committee shall operate under such procedures as are adopted from time to time by the Board of Directors in developing a slate of candidates. The Nominating Committee shall submit its slate of candidates to the Executive Committee. If the Nominating Committee and the Executive Committee agree on the slate to be presented to the Board, the slate shall be presented to the Board. If the Nominating Committee and the Executive Committee cannot concur in the slate of candidates, the slate of candidates of both committees shall be submitted to the Board. The Board of Directors may accept or change the slate or slates to arrive at the final slate of nominees.

The Nominating Committee shall recommend a minimum of one and one-half (1½) the number of candidates as there are expiring terms in each Officer and Director category, rounded to the next highest integer where such number is a fraction. The Committee may also recommend alternate candidates for each Director category in order of the Committee preference. The number of alternates recommended shall not exceed the number of expiring terms in each membership category.

The Nominating Committee shall recommend the slate of candidates for the Chair-Elect of the Board in accordance with the provisions of Article IX Section 3.

SECTION 4: Additional Nominations: Additional nominations for the Board of Directors for particular membership categories shall be included on the final slate of nominees when proposed by not less than two percent (2%) of the members in good standing from the nominee's membership category. Such nominations must be presented in writing, to the Secretary of SEMA on or before thirty (30) days prior to the annual election. Additional nominations so presented shall bear the signatures of the nominators and shall be designated as "other nominations." The names shall be placed on the ballot and identified as "Other Nominations."

SECTION 5: Election Procedures: The President shall prepare the official ballot listing thereon the names of the nominees for the office of Director in the various membership categories and for the office of Chair-Elect of the Board. The election of the Directors and the Chair-Elect of the Board shall be by ballot of all active members. Provision shall be made for Members to write in candidates of their choice on the ballot. The President shall distribute the official ballot to the Active Members in good standing.

On the day following the closing date for the acceptance of ballots, the ballots shall be tabulated by an independent company selected to conduct the electronic voting. The President of the association, and two board members, will each be notified by e-mail of the election results on the same day the votes are tabulated. The President and the two board members will then conduct a teleconference to confirm the election results. The President will then notify candidates of the election results. The candidates receiving the most votes for Director in each membership category shall be elected Directors, and the candidate receiving the most votes for Chair-Elect of the Board shall be elected Chair-Elect of the Board. In the event of a tie in the

election of a Director in any category, or for the Chair-Elect of the Board, the current Board of Directors then sitting shall elect the Director or Chair-Elect by majority vote of those Directors present and voting in such election whether such election is conducted by email, mail, telephone or in person. No incumbent Director who shall be a candidate in a tie in an election of a Director shall vote in the election by the Board of Directors of a Director. In the event a candidate who shall be elected as a Director shall not take office, or in the event a Director shall resign or leave his/her office, the candidate who shall have received the most votes in said candidate's membership category in the most recent election but who shall not have received sufficient votes to have been elected and is eligible for election to the Board of Directors shall be elected as a Director. The President shall notify all candidates of the results of the election.

ARTICLE X: PRESIDENT

SECTION 1: President: The Board of Directors may appoint a President to be employed by SEMA. The Board appointed Compensation Committee, which is chaired by the Chairman of the Board, shall fix the President's compensation. The President shall report to the Chairman of the Board.

SECTION 2: Powers and Duties of the President:

(a) The President shall be responsible for overall administration of SEMA and its staff under the guidance and subject to the control of the Chairman of the Board and the Board of Directors. The President shall see that all orders, resolutions or directives of the Chairman of the Board, the Board of Directors or the Committees of SEMA are carried into effect.

(b) The President shall prepare an annual budget under the guidance of the Executive Committee for approval by the Board of Directors.

(c) The President is authorized to disburse SEMA funds pursuant to the policies of the Board of Directors.

ARTICLE XI: COMMITTEES

SECTION 1: Formation: The Chairman of the Board of SEMA shall recommend to the Board of Directors the formation of such committees and the appointment of committee chairmen for such committees as he/she may from time to time deem advisable. Such committees shall be in addition to the standing committees established by these bylaws. The Board of Directors shall consider the recommendations of the Chairman of the Board and accept, modify or reject the recommendation. The Chairman of the Board shall have the authority to recommend the termination of a committee, other than a standing committee, or the replacement of a committee chairman. The Board of Directors shall either accept or reject the Chairman of the Board's recommendations.

SECTION 2: Expenses: Expenses incurred by the Chairmen and Members of the Committees in performing their duties as Chairmen and Members shall be reimbursed by SEMA as may from time to time be directed by the Board of Directors.

SECTION 3: Standing Committees: The following committees shall be the standing committees of SEMA: the Executive Committee, the Nominating Committee, the Audit Review Committee and the Compensation Review Committee.

SECTION 4: Executive Committee: The Executive Committee shall consist of the Chairman of the Board, Chair-Elect, Immediate Past Chair, Secretary, and Treasurer. The Executive Committee shall have and exercise powers to guide the development of the agenda for the meetings of the Board of Directors, to prepare complex proposals for consideration by the Board, to preview the financial reports to be considered by the Board and help shape the direction of the Board. The Executive Committee shall have such other powers as are directed from time to time by the Boards of Directors. The members of the Executive Committee shall take office at the first regular Board of Directors' meeting of the fiscal year following the selection of the Chairman of the Board or at any time a vacancy exists.

**ARTICLE XII:
Councils**

The Chairman of the Board or a member of the Board of Directors may from time to time recommend the establishment of a Council within SEMA to serve a specific purpose. Such recommendations shall be considered by the Board of Directors and accepted, modified or rejected. The termination of any such Councils shall be at the recommendation of the Chairman of the Board or a member of the Board with approval of the Board of Directors. Conduct, policies, procedures and regulations are subject to the sole discretion of the Board of Directors and may be changed or modified from time to time, as they so desire.

**ARTICLE XIII:
FISCAL YEAR**

The fiscal year of SEMA shall be from July 1 through June 30.

**ARTICLE XIV:
ORDER OF BUSINESS**

The order for business for all SEMA meetings, unless otherwise determined by a majority vote of those present and voting shall be at the discretion of the Chairman of the meeting. Agendas for all meetings must include an approval of the previous meeting's minutes, unfinished business, additional business and adjournment. In the case of a meeting of the Board of Directors, the agenda shall also provide for a call of the roll of Directors.

**ARTICLE XV:
AMENDMENTS**

SECTION 1: The Board of Directors shall have the power to alter, amend, repeal or adopt bylaws on the affirmative vote of two-thirds of the composition of the Board of Directors, rounded to the next highest integer where such number is a fraction, or greater without regard to vacancies, except that the Board of Directors shall not alter, amend or repeal the bylaws in a fashion which would change the number of Members on the Board of Directors or which would

violate the law. In the event that an amendment is proposed which would change the number of Members on the Board, a majority vote of those Active Members present and voting in person or by proxy at a meeting of the membership called for the purpose of amending the bylaws is required.

SECTION 2: The bylaws may be altered, amended or repealed by a majority vote by the Active Members conducted in accordance with the provisions of Article VI Section 6 unless such action would violate the law in which case the bylaws may be amended only in a fashion consistent with the law. For such amendment to become effective a copy of the proposed amendment must have been transmitted to each Active Member of SEMA at his/her last recorded address at least thirty (30) days prior to the vote.

ARTICLE XVI: PROXIES

Any Active Member of SEMA in good standing may authorize and execute a proxy for the purpose of casting votes at membership meetings. Such proxy shall be granted to and exercised by an active member of SEMA through its representative or alternate representative. To be recognized, proxies must be delivered to the Chairman of the Board prior to the opening hour of the meeting at which the proxy is to be exercised.

ARTICLE XVII: INDEMNIFICATION

Any person who shall be or who has been involved in or who shall be or who has been made a party to any claim, action, suit or proceeding by reason of the fact that he/she, his/her testator or his/her intestate is or was a director, officer or employee of SEMA shall be indemnified by SEMA against all cost and expenses, including attorneys fees, reasonably incurred by or imposed upon him/her in connection with or arising out of any claim, action, suit, proceeding or appeal therein (such expenses to include the cost of reasonable settlements made with a view to curtailment of costs of litigation), except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such officer, director or employee is liable for negligence or misconduct in the performance of his/her duties. Such right of indemnification shall not be exclusive of any other right or rights to which such director, officer or employee may be entitled as a matter of law. Notwithstanding the foregoing, the indemnification called for in this article shall be to the full extent allowed under the laws of the State of California.

No director, officer or employee shall admit liability for or settle any claim, action, suit, proceeding or appeal or incur any costs or expenses in connection therewith without the written consent of the Board of Directors, which shall be entitled at any time to take over and conduct in the director's, officer's, or employee's name the defense of any claim, action, suit, proceeding or appeal.

ARTICLE XVIII: DISSOLUTION

SEMA may be dissolved by the affirmative vote of a majority of all the Active Members of SEMA. Such vote shall be taken only at a regular or special meeting of the Members at which at

least thirty (30) days notice of the intention to vote on dissolution shall have been given to all Members. Upon the dissolution of SEMA, the Board of Directors shall, after paying or adequately providing for the payment of all known obligations of SEMA, dispose of all of the assets of SEMA exclusively for the purpose of SEMA, in such manner or to such organization or organizations engaged generally in the same field as SEMA and as shall at the time qualify as an exempt organization or organizations under Section 501(c)(6) of the Internal Revenue Code of 1986, or the corresponding provision of any future United States Internal Revenue Law, as the Board of Directors shall determine.