BYLAWS FOR THE SOUTH CENTRAL PA CHAPTER OF RMA

BYLAWS

South Central PA Chapter

of Robert Morris Associates d.b.a.
RMA- The Risk Management Association

Organized:
September 1, 1975

Adoption of Bylaws:
September 1, 1975

Amended and Restated:
May 10, 2005

Article I. Name

The name of this organization shall be: "THE SOUTH CENTRAL PA CHAPTER OF ROBERT MORRIS ASSOCIATES" d.b.a. RMA- The Risk Management Association. The organization may be referred to in these bylaws as the (or this) "Chapter." The National organization of which this Chapter is a member may be referred to as "Headquarters" or simply as "RMA" and other local chapters of RMA may be referred to as "Chapters" or "Groups."

Article II. Area and Further Divisions

2.01 The area of this Chapter shall be that geographic area (1) in which this Chapter currently has members and (2) from which it will accept applications from interested and eligible nonmember institutions.

2.02 As of the adoption of these bylaws, this area is described as follows:

> The territory for the South Central PA Chapter shall consist of the Pennsylvania Counties of Lancaster, Schuylkill, Northumberland, Lycoming, Lebanon, Dauphin, Franklin, Fulton, Huntingdon, Mifflin, Juniata, Adams, Cumberland, York and Perry.

2.03 Changes in Chapter area need not require a revision of these bylaws, provided that:

A. The change proposed has been reviewed by Headquarters and is not in conflict with the geographic territories of other Chapters or Groups.

B. A description of the change is attached to these bylaws and submitted to Headquarters and the Regional Office.

2.04 With the approval of the board of directors of the Chapter and the RMA Headquarters' board of directors, groups may be formed within the chapter to enable members to have easier access to RMA services.

Article III. Purpose

3.01 The purpose of this Chapter shall be the same as that of RMA, namely, to support the increase in profitability of its member financial institutions and to serve professionals who require a comprehensive understanding of credit risk identification and management. Accomplishment shall be sought through:

A. The development and exchange of ideas and experiences on credit risk principles and practices through (a) the programs and the close personal contacts at RMA meetings and conferences,(b) the sharing of The RMA Journal with nonmembers, preferably through direct subscriptions, and (c) research projects to improve credit and loan knowledge.

B. The establishment and maintenance of high standards of credit ethics in banks and in the business community through (a) definition, (b) acceptance, (c) publication, and (d) persuasion.

C. The development of competent credit risk personnel through (a) training materials, (b) circulation of The RMA Journal, (c) group and chapter meetings and annual conferences, (d) educational programs and (e) liaison with educational institutions.

D. Cooperation with related professions and organizations through (a) establishing channels of communication, (b) studying mutual programs, and (c) seeking practical solutions to such problems.

E. Effective expression of the lending and credit risk management viewpoint to the public, directly and in cooperation with respective state bankers associations.

3.02 On the due dates established by the RMA Board of Directors and the Chapters and Membership Council, the Chapter agrees to furnish RMA Headquarters and Regional Offices with the Planning Report form listing the objectives and goals for the fiscal year AND the STAR Program form recording and evaluating the accomplishments of these objectives for the Chapter and its Groups, if any.

Article IV. Membership

4.01 **Classes of Membership.** There shall be four general classes of membership: institutional, associate, professional, and student. Descriptions of the classes and subcategories are as follows:

Institutions

- Banks and thrifts
- Investment banks and insurance companies
- Regulatory and supervisory authorities at state or national level
- Government or quasi-government entities without material lending activity, including the Small Business Administration, economic development authorities, small business development centers, etc.

Associates

- Employees from banks, institutions, thrifts, government or quasi-government entities, regulatory, supervisory authorities, and the SBA. Only an employee of an Institutional member of RMA may become an Associate. If an associate is displaced, they are eligible to remain a member for up to one year (*Transitional membership).*

Continuing Associate

- If a former Associate moves to a nonmember institution that qualifies for institutional membership without limit to the time he/she has been inactive with RMA, they will be allowed to be a member indefinitely, as long as the individual is employed by a nonmember institution that qualifies for Institutional membership in RMA. If a former Associate is employed with an institution that is no longer a member of RMA (resigned), that individual may not become a Continuing Associate for a period of three years.

Certified Associate

- If an individual passes the CRC exam and is employed by an RMA member institution, that individual will become a "regular" Associate for the remainder of the fiscal year will be at no cost. At renewal, they will will be invoiced the prevailing fee. If an individual passes the CRC exam and is employed by a nonmember institution that qualifies for Institutional membership, that individual becomes a Certified Associate. His/Her membership for the remainder of the fiscal year will be at no cost. At renewal, the Certified Associate will be invoiced the prevailing dues fee.

Professionals

- Financial institutions active in lending (finance companies, leasing companies, etc.) not affiliated with bank holding companies.
- Individuals from professional services firms (e.g., accounting, law, consulting, and appraisal firms)
- Individuals from nonbank lending/financial institutions.
- Credit Union employees in the U.S. may join RMA as Professional Members.
- As no institutional dues are paid, only the individual receives member benefits.
- Professional Members may only purchase publications in quantities of one.

Certified Professional Member

- If an individual from a professional services organization passes the CRC exam, that individual will become a Professional Member.

Students

- Candidates for student membership must be full-time students (not currently employed full-time) and must have a college major associated with risk management (business, administration, accounting, management, finance, etc.).
- Undergraduate freshmen are excluded from Student memberships. All other undergraduate and graduate-level students are eligible for Student memberships.
- To remain a Student member, individuals will be required to submit proof of college enrollment on an annual basis.
- Once individuals graduate and become professionals in the financial services industry, their membership will convert to the appropriate membership based on their place of employment.

4.02 **Election to Membership.**

A. **Institutional Membership**. As stated in 4.01 all institutions in the Chapter's geographical area and in good standing with RMA are automatically members of this Chapter. Any prospective new member must follow current applications procedures and receive RMA Headquarters and Chapter approval before acceptance to membership in this Chapter. The membership policies of the Chapter shall be based upon and not in conflict with the membership policies of RMA.

B. **Associate, Professional, & Student Memberships**. Individual applications should be forwarded directly to RMA Headquarters. Chapter approval is not required. The membership policies of the Chapter shall be based upon and not in conflict with the membership policies of RMA.

4.03 **Privileges of Membership**

A. **Institutional Members - Voting**. An Institutional Member described in section 4.01A and B that is not delinquent in the payment of any required dues shall be entitled to one vote at every meeting of Institutional Members upon any questions put before the Institutional Members, which vote may be exercised through the Senior Associate or the Alternate Senior Associate, or as otherwise provided in Section 2.06 of Headquarters' Bylaws. An Institutional Member who is entitled to vote on any matter may vote by giving its written proxy to the Secretary of the Chapter. Revocation of a proxy to be effective, must be given by a written notice that clearly and unequivocally states that a Member revokes it proxy, which notice must be given to the Secretary of the Chapter.

B. **Privileges of Individual Members (Associates, Professionals, and Students)**. Individual Members shall be entitled to attend meetings; to serve on councils and committees; to receive communications, information and selected publications disseminated by the Headquarters Office; and to enjoy all other rights and privileges of association membership. Associate or other Individual Members shall have the right to vote at the annual meeting to elect Associates to hold elective or appointive office under these bylaws as further set forth in Section 5.06.

4.04 **Termination of Membership**.

The reasons and procedure for terminating institutional membership and individual membership shall be as provided in Section 2.07 of the bylaws of RMA. Termination of membership in RMA shall automatically terminate membership in this Chapter.

Article V. Meetings

5.01 General Membership meetings (meal/speaker type of meeting) open to all associates shall be held at least six times each year on dates and locations approved by the board of directors. Educational activities (seminars, and conferences) shall be held for the membership at least twice each year on dates and locations approved by the board of directors.

5.02 The Chapter Administrator shall keep a record of attendance of each individual member at chapter meetings. The chapter shall make its attendance records available to RMA Headquarters upon reasonable request.

5.03 Written notice of all meetings shall be given to individual members by the Chapter Administrator at least ten days in advance.

5.04 Special meetings may be called by the president or by not less than two individual members.

5.05 Except as set forth in Section 5.06, the representation in person or by proxy of a majority of the individual members shall constitute a quorum for voting on chapter matters.

5.06 . Each spring, the Long Range Planning Committee will nominate Officers and Board members for the coming year. Notice of the selections will be delivered to the individual members in any manner reasonably calculated to reach the Members, including direct mail, electronic mail, telephone notice or hand delivery. Election advice automatically allows Members in good standing to nominate selected individuals. If a Member chooses to vote against a selected individual or individuals, they may do so by contacting the outgoing president or a current Board member. If an objection is made, the Long Range Planning Committee will take appropriate action. Once final approvals are made, nominated individuals will be announced as next year's Officers and Directors at the last chapter meeting of a given year and / or the chapter's summer newsletter.

Article VI. Officers and Governors

6.01 The officers shall consist of a president, vice president, a secretary, and a treasurer. Each of these officers must be an Associate as outlined in Section 4.01C of these bylaws. Each individual will serve a term of one year or until their successors are elected and shall perform the customary duties of their respective offices.

6.02 The board of directors shall consist of the president, vice president, secretary, treasurer, the immediate past president and nine additional persons. All members of the board must be Associate members as outlined in Section 4.01C of these bylaws. Each of the nine elected directors shall serve a two-year term, provided that the election of such directors and their terms of office shall be staggered so that half of such directors are elected for a two-year term each year. The board shall direct the policies and govern the operations of the chapter through the elected officers. All matters other than the election of directors may be taken by vote of the board of directors. Directors shall be elected at the annual meeting in the manner set forth in Section 5.06 of these bylaws. If only directors and not officers have been elected at the annual meeting, the directors may elect the officers at any subsequent meeting of the board of directors.

6.03 In addition to the members of the board of directors selected pursuant to Section 6.02, any individual member who is an officer or director of RMA shall serve as an additional director of this chapter during the period he or she holds office.

6.04 All officers and directors shall be elected by July 1 and shall take office on the following September 1.

6.05 Any vacancy among the officers and directors may be filled for the unexpired term by the remaining members of the board at any meeting of that body.

6.06 The board of directors and officers shall meet at the call of the president or any three directors. In any event, it shall meet at least four times yearly. A majority of the directors shall constitute a quorum.

6.07 A representative of each Group of the Chapter, if any, shall serve on the Board and participate in Chapter matters.

Article VII. Committees

7.01 **Committees**. Activities of RMA Chapters shall be carried on by committees devoted to various constituencies within RMA's membership and areas of interest within RMA's statement of purpose. Each committee shall be composed of such number and organized in such a manner as the Board of Directors may determine. The Chapter President shall designate the chairman and vice chairman of each committee. All committee chairmen must be Associates as outlined in Section 4.01C of these bylaws.

7.02 **Term of Committees**. All committees shall be appointed or recommended by the chapter president for a term to coincide with his or her own term of office. In all cases, committees shall exercise their powers subject to the direction and control of the board of directors.

7.03 **Standing Committees**. At the discretion of the president, there shall be the following standing committees when deemed feasible (Note: Those listed below are the minimum required by RMA; others should be added, as needed):

A. The Membership Committee - shall be appointed by the chapter president to keep current records of the chapter's membership and to conduct a nonmember institutional and associate recruitment program.

B. The Program Committee - shall be appointed by the chapter president to plan and conduct the general membership meetings for the chapter's associates.

C. The Education Committee - shall plan and implement the formal educational offerings such as seminars and conferences. It shall coordinate with the program developer (RMA Headquarters or outside vendor) to assure that the program content is of high quality and the presentation is properly administered.

D. The Communications Committee - shall likewise be appointed by the chapter president. It shall ensure effective communications of the chapter including program promotion, press releases, newsletters, and group reports.

E. The Paper Writing Committee - (if parent chapter conducts a Paper Writing Competition) shall be appointed by the group chairman and shall assist the Chapter in conducting a Paper Writing Competition.

F. The Audit Committee - shall be appointed by the chapter president consisting of at least two individual members. This committee shall audit the books of account within three months after the close of each fiscal year (November 30) and shall submit a report, either verbal or written, to the Board of Directors. Special audits may be made at the request of the Board of Directors.

G. The Nominating Committee - shall consist of at least three but not more than five individual members. It shall be appointed by the chapter president with the approval of the board. A past president of the group shall be chairman of the committee. No officer other than the current president may be a member. This committee shall choose the nominees for chapter officers and directors who are to be voted upon prior to July 1 of each year.

7.04 The Chapter President may appoint such other committees as he or she and board deem necessary, including such committees RMA may from time to time suggest.

7.05 The Chapter President shall be an ex officio member of all committees.

Article VIII. Fiscal Year, Dues, and Dissolution

8.01 The fiscal year shall begin on September 1 of each year.

8.02 The Board of Directors shall review the need for annual local dues or special assessments. Any fees imposed shall be minimal and not unreasonably restrict participation by the general membership.

8.03 For financial reporting purposes, the Chapter will collect appropriate information from its Groups, if any, to be included in chapter reports and will not, as a general rule, prepare financial reports for external distribution. This does not preclude a periodic report to the Board of Directors on the financial condition of the Chapter.

8.04 Upon the dissolution of the Chapter, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Chapter, dispose of all the assets of the Chapter exclusively for the purposes of the Chapter or its parent organization in such manner -- or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501(C)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) -- as the Board of Directors shall determine.

Article IX. Indemnification and Liability of Directors, Officers, and Others

9.01 **Personal Liability of Directors.** A director of the Chapter shall not be personally liable for monetary damages for any action taken, or any failure to take any action, as a director except to the extent that by law a director's liability for monetary damages may not be limited.

9.02 **Indemnification.** The Chapter shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, including actions by or in the right of the Chapter, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, or other representative (as defined in Section 9.08) of the Chapter, against expenses (including attorneys' fees), judgments, fines, excise taxes, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding unless the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

9.03 **Advancement of Expenses.** Expenses incurred by an officer, director, or other representative (as defined in Section 9.08) of the Chapter in defending a civil or criminal action, suit, or proceeding described in Section 9.02 shall be paid by the Chapter in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the Chapter. The financial ability of such person to make such repayment shall not be a prerequisite to the making of an advance.

9.04 **Other Rights**. The indemnification and advancement of expenses provided by or pursuant to this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Chapter's Articles of Incorporation, any insurance or other agreement, vote of shareholders or directors or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding an office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such person.

9.05 **Insurance**. The Chapter shall have the power to purchase and maintain insurance on behalf of any person who is or was holding a position that would entitle such person to seek indemnification hereunder against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Chapter would have the power to indemnify him or her against such liability under the provisions of these Bylaws.

9.06 **Security Fund; Indemnity Agreements**. By action by the Board of Directors (notwithstanding their interest in the transaction) the Chapter may create and fund a trust fund or fund of any nature, and may enter into agreements with its directors, officers, and representatives (as defined in Section 9.08) for the purpose of securing or insuring in any manner its obligation to indemnify or advance expenses provided for in this Article.

9.07 **Modification**. The duties of the Chapter to indemnify and to advance expenses to a director, officer, or representative (as defined in Section 9.08) provided in this Article shall be in the nature of a contract between the Chapter and each individual, and no amendment or repeal of any provision of this Article, and no amendment or termination of any trust or other fund created pursuant to Section 9.06, shall alter, to the detriment of such individual, the right of such individual to the advance of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment, repeal, or termination.

9.08 **Representative**. The term "representative" as used in this Article IX shall include all persons holding the position of officer or members of the Chapter's councils and committees; and any person serving at the request of the Chapter as an employee, agent, fiduciary, or other representative of the Chapter or another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise.

9.09 **Indemnification In Certain Cases.** The Board may, by resolution, indemnify other persons on a case-by-case basis to the extent authorized by applicable law.

Article X. Amendments

10.01 These bylaws may be amended by majority vote of the local chapter Board provided that the proposed amendments do not conflict with those of RMA Headquarters.