

# **Bylaws of the Installation Quality Certification Board**

**Effective as of May 19, 2006**

## **ARTICLE I. ORGANIZATION**

The name of this organization shall be the Installation Quality Certification Board, referred to hereafter as "IQ." IQ was organized as a non-stock, non-profit corporation under the laws of the Commonwealth of Pennsylvania.

## **ARTICLE II. PURPOSE**

IQ shall exist to serve the public, public safety and the electronic security and life safety industry through the establishment and maintenance of criteria and procedures for installation quality certification in order to, among other things, reduce false alarms.

## **ARTICLE III. LIMITATIONS**

Section 1. IQ is a private, nonprofit, tax-exempt, autonomous, voluntary certification organization. No part of the net earnings of IQ shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that IQ shall be authorized to pay reasonable compensation for services rendered and make payments and distributions in furtherance of the purposes set forth in Article II, above.

Section 2. IQ shall not engage in any activities relating to election campaigns for candidates seeking political office.

Section 3. IQ shall be incorporated as a 501(c) (6) not-for-profit corporation. All activities of IQ shall conform to guidelines set forth under section 501(c) (6) of the Federal Income Tax Code.

## **ARTICLE IV. BOARD OF DIRECTORS**

Section 1. Directors: The affairs of IQ shall be governed by a Board of Directors (the "Board"). The Board shall be composed of not more than ten (10) voting members, but not less than seven (7) voting members, including the Chairperson. The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as required by the Articles or by these Bylaws and any other acts or deeds as deemed required to be necessary by IQ.

Section 2. Selection and Appointment of Directors; Term of Office:

(A) The Board shall be comprised of up to six (6) members (the "Elected Board Members") elected from the at-large population of those companies that have been approved by the Board in accordance with its guidelines (the "IQ Certified Companies"). The IQ Certified Companies shall elect pursuant to the procedural guidelines set forth in Article IV, Section 7 of these Bylaws, the individuals who shall be the Elected Board Members. Each Elected Board Member shall serve for a period of two (2) years, or until his/her death, adjudication of incompetency, removal or resignation, or until he/she no longer is affiliated with an IQ Certified Company.

(B) The Elected Board Members shall elect by a majority vote a Chairperson from amongst the Elected Board Members. The Chairperson shall serve for a period of one (1) year or until his/her death, adjudication of incompetency, removal or resignation, whichever occurs first.

(C) The Elected Board Members shall elect by a majority vote one or more elected board members to serve as officers in the positions of Secretary, Treasurer and any other office as may be approved from time to time by a majority of the Board. All elected officers shall serve for a period of one (1) year or until their death, adjudication of incompetency, removal or resignation, whichever occurs first.

(D) The Elected Board Members shall appoint at least two (2), but not more than four (4), appointed Directors (the "Appointed Directors"), one of whom may be a member of the law enforcement community; a second whom may be a fire prevention official; a third whom may be a state government official; and a fourth whom may be from the insurance industry. Each Appointed Director shall serve for a period of one (1) year or until his/her death, adjudication of incompetency, removal or resignation, whichever occurs first. Except as otherwise provided herein, each Appointed Director will constitute a voting member of the Board.

(E) The Board may, by a majority vote, appoint appropriate individuals such as staff or legal counsel as ex-officio non-voting Board members.

(F) Each Elected Board Member and each Appointed Director may sometimes be referred in these Bylaws as a "Director." Each of the elected officers of IQ may sometimes be referred to in these Bylaws as an "Officer."

Section 3. Vacancies: In the case of a vacancy, resignation or removal of an Elected Board Member, the Chairperson of the Board shall appoint a person from an IQ Certified Company to fill the vacant Director position for the remaining portion of the previous Director's term. In the case of a vacancy in one of the Appointed Director positions, the Chairperson shall appoint a law enforcement official for a vacancy in that position, a fire prevention official for a vacancy in that position, a state government official for a vacancy in that position and an insurance official for a vacancy in that position. All appointments shall be ratified by a majority vote of the Board. In the event of a vacancy in the office of

Chairperson, the remaining Elected Board Members will elect a new Chairperson under the procedures outlined in Section 2.

Section 4. Resignation: Any Director or Officer may resign at any time by filing a written resignation with the Secretary of IQ. The Secretary may resign at any time by filing a written resignation with the Chairperson.

Section 5. Board Elections: At least ninety (90) days prior to the IQ annual meeting, the Chairperson shall name a nominating committee (the "Nominating Committee"), who shall be responsible for nominating a slate of potential directors to fill the seats of those Elected Board Members whose terms are expiring. The Nominating Committee will consist of at least three (3) but no more than seven (7) representatives from IQ Certified Companies. At least sixty (60) days prior to the IQ annual meeting, the Nominating Committee will circulate to the IQ Certified Companies a ballot identifying the proposed slate of directors. The ballots shall state the date upon which all ballots must be returned to IQ, such date being no later than thirty (30) days prior to the annual meeting. Alternatively, votes may be cast in person by IQ Certified Companies at the annual meeting. Each IQ Certified Company shall be allotted one vote for each open position on the Board. Each vote must be cast for a different candidate for the Board. The open Board positions shall be filled in order by the candidates collecting the most votes from the ballots cast.

Beginning in 2006, the IQ Certified Companies shall elect three (3) Elected Board Members to serve for a period of two (2) years, and three (3) Elected Board Members to serve for a period of one (1) year. Beginning in 2007, the IQ Certified Companies shall elect three (3) Elected Board Members to serve for a period of two (2) years. The candidates receiving the highest number of votes cast for their respective positions shall be elected.

Section 6. Removal of Officers or Directors: The Board may remove an Officer or Director for cause by a two-thirds ( $\frac{2}{3}$ ) vote of the Board at any regular or special meeting of the Board, provided that a statement of the reason or reasons shall have been mailed by registered mail to the Officer or Director proposed for removal at least thirty (30) days in advance of any action by the Board. This notice shall include the time and place the Board will take action on the removal. The Officer or Director shall have the opportunity to be heard at that time and place.

Section 7. Duties and Functions of the Board:

(A) The Board shall have full authority to establish policies, rules, regulations, requirements and fees for the certification program. The Board shall circulate proposed relevant changes in policies, rules, regulations, requirements and fees to the IQ Certified Companies at least sixty (60) days prior to the meeting at which the Board will vote on the proposed changes, for review and

comment. Upon Board approval, reasonable time shall be given prior to implementation.

(B) All policies, rules, regulations, requirements and fees promulgated by the Board shall be incorporated into the printed Installation Quality Certification Program Guidelines.

(C) The Board shall employ appropriate staff and/or management to carry out the administration of IQ policies and programs, and the Board shall have the power to terminate the staff and/or management at will, except as otherwise agreed.

(E) The Board may appoint specialized consultants whose knowledge and ability would be of value in the furtherance and conduct of the affairs of the organization.

(F) The Board shall carry out any other lawful activities deemed necessary to further the objectives of IQ.

## **ARTICLE V. MEETINGS OF THE BOARD**

Section 1. Annual Meetings: The annual meeting of the Board shall be held in a location and at a time determined by a majority of the Board. Agendas of all items to be discussed at annual Board meetings shall be circulated at least sixty (60) days prior to the meeting.

Section 2. Special Meetings: Special meetings of the Board may be called by a majority of the members of the Board or by the Chairperson. Agendas of all items to be discussed at a special Board meeting shall be circulated as soon as practicable following the announcement of the special meeting.

Section 3. Quorum: A majority of the Directors shall constitute a quorum of any meeting of the Board. Such majority shall be capable of transacting such business as may be provided in these bylaws.

Section 4. Voting: A majority vote of the Directors being present at any meeting (where a quorum is present) is necessary to approve any action presented to the Board. Should a matter requiring a vote of the Board arise when not in a meeting, a written consent authorized by the Chairperson may be circulated by regular mail, electronic mail or fax. An unanimous vote of the entire Board shall be necessary to carry the action.

Section 5. Telephone Conference: Any regular or special meeting of the Board may be conducted via a telephone conference upon the authorization of the Chairperson (provided all persons participating in the meeting can simultaneously hear each other).

## **ARTICLE VI. MEETINGS OF THE IQ CERTIFIED COMPANIES**

Section 1. Annual Meetings: The annual meeting of the IQ Certified Companies shall be held in a location and at a time determined by a majority of the Board. Agendas of all items to be discussed at the annual meeting shall be circulated at least sixty (60) days prior to the meeting.

Section 2. Special Meetings: Special meetings of the IQ Certified Companies may be called by a majority of the members of the Board or by a majority of the IQ Certified Companies. Agendas of all items to be discussed at a special meeting of IQ Certified Companies shall be circulated at least ten (10) days prior to the meeting.

Section 3. Quorum: The IQ Certified Companies in attendance shall constitute a quorum for purposes of any meeting of the IQ Certified Companies.

Section 4. Voting: Except as otherwise provided herein, a majority vote of the IQ Certified Companies voting in person or via mail at any meeting is necessary to approve any action. Should a matter requiring a vote of the IQ Certified Companies arise when not in a meeting, a written consent authorized by the Chairperson may be circulated by regular mail, electronic mail or fax. A unanimous vote of the IQ Certified Companies shall be necessary to carry the action.

Section 5. Telephone Conference: Any regular or special meeting of the IQ Certified Companies may be conducted via a telephone conference upon the authorization of the Chairperson (provided all persons participating in the meeting can simultaneously hear each other).

## **ARTICLE VII. GOVERNANCE**

Section 1. IQ shall in all respects be autonomous in the matter of its certification criteria, finances, policies, administration, time, place and frequency of its meetings, election and appointment of officers and representatives, and all other lawful activities.

Section 2. No IQ Certified Company, nor any elected officers or employees of the IQ may act on behalf of IQ or hold himself or herself out to the public as authorized to act on behalf of IQ without the express consent of the Board.

Section 3. The fiscal year of IQ shall begin on July 1<sup>st</sup> and terminate on June 30<sup>th</sup>.

Section 4. Roberts Rules of Order, New Revised Edition, shall be the parliamentary authority for the conduct of all meetings of IQ, except as otherwise provided in these Bylaws.

## **ARTICLE VIII. AMENDMENTS**

These bylaws may be adopted, amended or repealed at any regular or special meeting of the IQ Certified Companies by a two-thirds ( $\frac{2}{3}$ ) vote of those IQ Certified Companies voting in person or via mail.

## **ARTICLE IX. PERSONAL LIABILITY, INDEMNIFICATION AND INSURANCE**

Section 1. A Director of IQ shall not be personally liable for monetary damages for any action taken, or any failure to take any action, unless as set forth in 15 Pa. C.S.A. § 5713(a), the Director has breached or failed to perform the duties of his or her office referenced thereunder, and such breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; provided, however, that the foregoing provision shall not eliminate or limit (i) the responsibility or liability of such Director pursuant to any criminal statute, or (ii) the liability of a Director for the payment of taxes pursuant to local, state or federal law. Any repeal, modification or adoption of any provision inconsistent with this Section of these Bylaws shall be prospective only, and neither the repeal or modification of this bylaw nor the adoption of any provision inconsistent with this bylaw shall adversely affect any limitation on the personal liability of a Director of IQ existing at the time of such repeal or modification or the adoption of such inconsistent provision.

Section 2. IQ shall indemnify and hold harmless to the full extent not prohibited by law, as the same exists or may hereinafter be amended, interpreted or implemented (but, in the case of any amendment, only to the extent that such amendment permits IQ to provide broader indemnification rights than are permitted IQ to provide prior to such amendment), each person who was or is made a party or is threatened to be made a party to or is otherwise involved in (as a witness or otherwise) any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative and whether or not by or in the right of IQ or otherwise (hereinafter, a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the heir, executor, or administrator, is or was a Director or Officer of IQ or is or was serving at the request of IQ as a Director, Officer or trustee of another association or of a partnership, joint venture, trust or other enterprise (including without limitation service with respect to employee benefit plans), or where the basis of such proceeding is any alleged action or failure to take any action by such person while acting in an official capacity as a Director or Officer of IQ, or in any other capacity on behalf of IQ while such person is or was serving as a Director or Officer of IQ, against all expenses, liability and loss, including but not limited to attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement (whether with or without court approval), actually and reasonably incurred or paid by such person in connection therewith.

Section 3. IQ may purchase and maintain insurance on behalf of any person who is or was a Director or Officer or representative of IQ, or is or was serving at the

request of IQ as a representative of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not IQ has the power to indemnify such person against such liability under the laws of this or any other state.

Section 4. Neither the modification, amendment, alteration or repeal of this Article IX or any of its provisions nor the adoption of any provision inconsistent with this Article IX or any of its provisions shall adversely affect the rights of any person to indemnification and advancement of expenses existing at the time of such modification, amendment, alteration or repeal or the adoption of such inconsistent provision.