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Chapter 4.0 - Membership Dues, Fees and Assessments

4.0.1 Dues, Fees and Assessments. The Board shall ensure through delegation to the President and CEO that membership dues, fees and other assessments for all categories of membership are reviewed annually.
Chapter 5 - Membership Meetings

5.0 Annual Membership Meeting

5.0.1 Membership Meetings. Annual Membership Meetings will be conducted in accordance with the Bylaws, Article V, and this Chapter 5 Membership Meetings Rule of the Board.

5.0.2 Meetings, Time and Location. There shall be at least one (1) Annual Membership Meeting of the membership as prescribed in the Bylaws, Article V, Section A.

5.0.3 Notice, Call for Agenda Items. In addition to the notice required in the Bylaws, Article V, Section A, PMI shall cause notice of the Annual Membership Meeting, stating the date, time, place and, if a special meeting, the purpose, to be formally communicated to the membership. This may be accomplished using PMI print publications, www.pmi.org, or other means accessible to the full membership. The notice shall also state the full requirements for members to bring resolutions or other formal actions to be considered to those present at the meeting, in accordance with Bylaws Article V, Section D and any other applicable governance requirements.

5.0.4 Minutes of Annual Membership Meeting. The President and CEO shall provide an Associate Corporate Secretary, to assist the Secretary-Treasurer, and who shall draft, prepare, and post the meeting minutes of the Annual Membership Meeting.

a) Contents of the Minutes. Written minutes for the Annual Membership Meeting shall contain pertinent PMI announcements and actions taken.

b) Distribution of Minutes. The draft minutes of each meeting shall be reviewed by the Secretary-Treasurer prior to distribution for the next regularly scheduled meeting.

c) Approval of Minutes. The Annual Membership Meeting Minutes shall be posted prior to the next Annual Membership Meeting and submitted for approval by a quorum of the eligible voting membership at that meeting.
Chapter 6 - PMI Board of Directors (The Board)

6.0 Nomination and Election of Directors of the PMI Board of Directors

6.0.1 Nomination and Election of Directors will be conducted in accordance with the Bylaws and these Rules of the Board. All nominees and candidates shall be obligated to abide by these governing documents.

6.0.2 Director Positions. Director positions and qualifications are as described in the Bylaws, Article VI, Board of Directors, Sections A and B. The Code of Conduct for Board members is found in Rule of the Board 12.1, Board Member’s Code of Conduct. The Nominating Committee shall ensure that the members are offered a choice of global representation for open Director positions and that more candidates are presented than the number of open positions.

6.0.3 As a PMI member and potential Board candidate, all individuals considering a Board position must abide by the Project Management Institute’s Code of Ethics and Professional Conduct. Any violation of the Code (or pending complaint) prohibits a member from serving on the Board. With PMI’s globally diverse stakeholders in mind, potential candidates should ideally possess and will be evaluated against the following criteria*:

a) **10+ years project, program or portfolio manager experience**
   For example: The candidate is a subject matter expert and able to significantly participate in market perspective discussions that will contribute to strategy formation.

b) **5+ years professional global experience**
   For example: Worked or governed in multi-national organizations, academia or NPOs that have global reach; worked in a different country than where born; or worked with different cultures and teams from different countries.

c) **Knowledge of PMI Functioning**
   For example: Good understanding of PMI’s current strategy (mission, objectives and goals), governance structure, organization, programs, products and services, which can be achieved through volunteering exposure, corporate council, or other ways of collaboration with PMI.

d) **Strategic planning experience**
   For example: Professional development focused on strategic planning (courses, seminars, etc.); devised and/or contributed to strategies and policies ensuring that an organization met its goals; worked in a strategy function; or experience in a project portfolio management role.

e) **5+ years executive leadership level experience**
   For example: Executive management position in a corporation, non-profit and/or academic institution; understands and can articulate the big picture and key drivers of an organization, strategy formation, working relationships with peer executives, leadership highlights, facilitation; and public speaking experience.

f) **5+ years senior management level experience**
   For example: Senior management position in a corporation, non-profit and/or academic institution; managing teams; responsible of day to day activities; having budgetary responsibilities; establishing performance targets.

g) **Board/governance experience**
   For example: Strategic dialogue and decision-making; fiduciary oversight; good governance practices; dealing with CEO matters; succession planning.

h) **Financial Literacy**
For example: Good understanding of key financial concepts (balance sheet, profit and loss, forecasts, etc.) and financial reports, or experience in tying financial statements to programs and strategy for a comprehensive view.

*Examples are for illustrative purposes…there may be other relevant examples.

The total composition of the Board should strive to be reflective of the diversity existing in the global project management marketplace in respect to gender, culture, geographic location, and stakeholder groups.

The Governance Committee will annually review the expected candidate criteria in Rule of the Board 6.0.3a) through h) to ensure the criteria are current and relevant and present any recommendations for change to the Board for discussion and vote.

6.0.4 The Call for Nominations. The President and CEO shall be responsible for publishing the annual Call for Nominations in a PMI print publications and on www.pmi.org, preferably every December.

a) The Call shall identify the number of vacant director positions.
b) The Call shall communicate that nominations for the Nominating Committee’s consideration cannot be submitted by the member seeking a position but rather by two (2) members in good standing. All nominations must include completed forms and other required documentation, including:
   1) Two recommendation forms completed by members in good standing for at least two consecutive years.
   2) A signed Candidate Acknowledgement form.
   3) A completed Initial Nomination Evaluation form.
c) The Call shall state that the election of Directors will be in accordance with applicable parts of the Bylaws that shall be printed in the Call in their entirety.
d) The Call shall state PMI’s policy on electioneering and campaigning.
f) The Call shall include a timeline including, but not limited to:
   1) Date recommendations for nominees must be received.
   2) Approximate date the Nominating Committee Chair informs the candidates who will be interviewed.
   3) Deadline for the receipt of the required candidate package by the President and CEO. The required candidate package includes: signed Conflict of Interest Policy; Verification to Abide by Nomination and Election of Directors Rule of the Board; Biographical Statement of approximately 300 words; photograph.
   4) Date ballots will be provided to eligible voting PMI members.
   5) Date election results will be announced.

6.0.5 Election Activities

a) Use of PMI Funds and/or Resources. No funds or resources of PMI, or its Components or employees, shall be used to support the nomination or election of any candidate or group of candidates except for information posted on the official PMI Election Website or published through other PMI media in direct support of the election process.
b) Candidate Communication. Candidates may only communicate one-on-one in response to communications initiated by another PMI member regarding their candidacy and only if the communication focuses on their qualifications. Mass communications by any means (e.g.,
postal mail, telecommunications, e-mail [regardless of whether the message is sent one at a
time or simultaneously to a mailing list], meeting announcements, all social networks, etc.)
are prohibited. If candidates have questions regarding communications, they should seek
advice from the Nominating Committee or staff before responding to any communication.
Candidates may not make reference to any other candidate or any existing or past Directors.

Campaign Materials. No candidate or PMI member may utilize any campaign materials such
as posters, buttons/lapel pins, digital communications, social media, group activities or
sponsorships to promote a candidate.

Candidate Communications with PMI. The candidate should discuss the position with
former Directors or a member of the Nominating Committee. Specific requirements of the
position in terms of time, expense, meeting schedules, and administrative assistance should
be explored.

PMI Promotion of Particular Candidates. PMI and its components may not participate in
any activity or provide opportunities at any PMI sponsored or PMI component functions
that promotes or negatively impacts a particular candidate.

Compliance with Election Activity Rules of the Board. The Nominating Committee will
ensure that all nominees, as a condition of expressing their interest in being a nominee, will
submit a signed copy of this Rule of the Board verifying that they have read, understand and
agree to abide by these policies and rules. This includes the following statement:

‘As a condition of my potential nomination or candidacy, I agree that I will not initiate,
courage, accept or endorse conduct on behalf of my potential nomination or candidacy
which is in violation of the policy relating to the election as adopted by the Board. To violate
this policy may result in revocation of my nomination or candidacy for office.’

Nominating Committee & PMI Communications with Candidate. The Nominating Committee
Chair, with the President and CEO and staff assistance, shall supervise all communication to
potential nominees, nominees and candidates.

Violation of Election Activity Rules of the Board. Any alleged violations of these Rules shall be
addressed in accordance with Bylaws Article VI, Section C, 6: ‘Disputes’.

Election Administration. The administration of Directors' elections shall be the responsibility of
the President and CEO.

The President and CEO will secure an independent election services provider to conduct
the balloting process, who shall be responsible for the formatting and reproduction of all
ballot material to be distributed to members in good standing as required in the Bylaws.

The independent provider shall ensure that the member's identity cannot be determined in
the course of casting their secret ballot while validating the member's eligibility to vote and
ensuring that only one vote is cast per member.

The independent provider shall ensure that only ballots received by the published, pre-
determined return date are counted.

The independent provider shall provide a confidential written report of the official election
results to the President and CEO and the PMI Nominating Committee Chair, including:
1) The official results (including cumulative election totals)
2) The number of cast votes
3) Geographic breakdown of votes
4) The number of ineligible votes and reason they were ineligible
5) Percentage of members who cast votes (including ineligible votes).

6.0.9 Ballot Material Preparation, Announcement of Election Results and Reporting.
   a) Upon the specified deadline stated in the Call for Nominations, the Nominating Committee Chair shall forward to the President and CEO the name of all eligible candidates to prepare the annual ballot materials for distribution.
   b) The President and CEO shall ensure that all candidates are informed of the approximate date that the election results will be communicated to them by the Chair or the PMI Nominating Committee Chair. At the same time, candidates shall also be informed of their required attendance/participation in an ad hoc meeting of the Board (to be scheduled to coincide with the Board’s Annual Meeting) for the purpose of electing Board Officers and Board Standing Committee Chairs, as well as of their requested attendance as an observer, at the Board meeting. PMI will reimburse travel expenses for successful candidates related to attendance at these meetings.
   c) The Chair shall announce the election results at the Annual Membership Meeting.
   d) Voting Records/Reports. The voting records are confidential materials and may not be released without the prior written permission of the PMI Secretary-Treasurer. Only the election winners and the overall total number of votes cast may normally be released.
   e) Record Retention. The Nominating Committee Chair and the President and CEO shall maintain confidential voting records/reports in accordance with PMI’s Record Retention Policy. Nominating Committee Reporting Process. The Nominating Committee Chair shall submit an annual report summarizing the committee’s activities, including a committee self-assessment and any pertinent recommendations to the Board in time for inclusion on the Consent Calendar for Receipt of the Board's next regularly scheduled meeting following the election. The President and CEO shall also distribute said report to the following year’s Nominating Committee Chair.

6.0.10 Nominating Committee Appointments: In addition to the Bylaw requirement that Nominating Committee Chair shall not be a current Director of PMI, at least one member of the Nominating Committee should be appointed for a two-year term, or a member of the past Nominating Committee be re-appointed to the next Nominating Committee, to provide succession and consistency between Nominating Committees. The President and CEO will identify potential candidates for appointment to the Nominating Committee for the consideration of the Board.
6.1 PMI Board/Member Communication Process

6.1.1 The President and CEO shall establish and maintain a communication process to ensure an open line of communication between stakeholders, the Board and the President and CEO.

6.1.2 The Chair will annually appoint the Vice Chair or another Director to the role of Board Communications Liaison. The Board Communications Liaison will work in conjunction with the President and CEO in implementing the communication process.

6.1.3 The President and CEO will designate the Executive Assistant to the President and CEO (EA CEO) to assist in administrating the communication process.

6.1.4 Receipt of communications shall be acknowledged, logged, and routed to the appropriate party for response within three business days. If the communications cannot be responded to within three business days, a response will be issued identifying the timing for the response.

6.1.5 Fiduciary and strategic related communications may be forwarded to the Chair for assignment, in coordination with the President and CEO, to a Director for response. The President and CEO will provide a subject matter expert to draft a response for Director’s review and approval. The Board Communications Liaison, and the EA CEO, will be copied on the approved responses when sent.
   a) The President and CEO will ensure that responses to fiduciary and strategic communications will be available electronically to the full Board as they are resolved.

6.1.6 Operational related communications will be assigned by the President and CEO to the appropriate staff subject matter expert for response.
   a) For awareness, the President and CEO will ensure that the operational communications log be available electronically to the full Board, at minimum, monthly.
6.2 Outreach Policy

6.2.1 Outreach is defined as interfacing, as an official representative of PMI, with individuals, groups and organizations with an interest in project management and/or PMI. Individual Directors may engage in outreach for the purpose of achieving one or more objectives identified in PMI’s Strategic Plan. Staff and others designated by PMI, and operating on behalf of PMI, may also engage in outreach activities in the course of implementing the Annual Business Plan.

6.2.2 The Board may be asked to conduct formal outreach activities in an effort to extend PMI’s reach with audiences in order to achieve a strategic intent. Formal outreach may take several forms, including but not limited to the following:
   a) Speaking Engagements. Invitations received via the Speaking Engagement Request (SER) form to speak at specific events, including keynote presentations about PMI or other project management topics sanctioned by PMI.
   b) PMI Ambassador Relations. Invitations to deliver 10-15 minute personal narratives supporting volunteers and congratulating chapters that are celebrating milestone anniversaries.
   c) Written Publications. Invitations received via the SER form, or other means, to write articles, blogs, etc. about PMI or project management topics sanctioned by PMI.
   d) Requests will be reviewed and considered by the President and CEO (or designee) and considered if the request aligns with PMI’s Strategic Plan and available resources.

6.2.3 Individual Directors shall:
   a) Speak with ‘one voice’ while representing PMI.
   b) Upon request, provide their projected availability to attend outreach activities.
   c) Prepare for activities by reading briefing material and other resources, and by practicing to deliver the presentation in advance.
   d) Prepare and submit a trip report in the required format, including any follow-up actions, to the Outreach Administrator for posting in a timely manner and to ensure follow-up items are distributed appropriately.
   e) Unless otherwise authorized, avoid making commitments on behalf of the Board or PMI.
   f) Comply with Rule of the Board 12.1.1 b) 4) regarding personal invitations received by Directors to speak at events being held by other project management entities.
   g) Submit any written publications to Public Relations Staff for editorial review at least two weeks before publication deadline.

6.2.4 The President and CEO (or designee) shall:
   a) Be responsible for producing an annual Outreach Plan.
   b) Appoint an Outreach Administrator to communicate and coordinate outreach engagements and logistics. This includes: identifying speakers based on availability and ensuring trip reports are published, as well as general administrative activities, including but not limited to:
      1) Responsible for creating advance culture and travel briefing material.
      2) Responsible for arranging requested public relations activity, including ensuring access to presentations/requisite printed collateral, obtaining the presenter’s biographic summary and photograph.
      3) Responsible for ordering gifts that may be required as per cultural protocol. Note: If chapter milestone gifts are needed for an anniversary event, the Communities &
Membership Development Associate is responsible for ordering and sending such gifts.

4) Ensuring event sponsor has provided requisite audio/visual equipment for the presentation.
6.3 Organizational Monitoring

6.3.1 The President and CEO will provide periodic reports to the Audit and Performance Oversight Committee (APOC) that enable the Board to monitor the performance of PMI, both with regard to progress towards the goals and objectives outlined in the Strategic Plan and to program and financial performance.

6.3.2 Monthly Financial Statements. The President and CEO will provide to APOC monthly unaudited financial statements that includes data to discern PMI's position year-to-date as compared to the approved budget.

6.3.3 Quarterly Monitoring Report. The President and CEO will provide to the Board a quarterly Monitoring Report that consists of a format approved by APOC.

6.3.4 Strategic Performance. The President and CEO with concurrence from APOC will develop and periodically adjust, as appropriate, the measures, targets, ranges and report format for the Balanced Scorecard as required for attainment of PMI’s Strategic Plan.

6.3.5 Urgent issues raised by APOC when reviewing a monitoring report in accordance with the Monitoring Report Review Process approved by the Board will be forwarded to the Chair for action.

6.3.6 The President and CEO will provide access to adequate outside monitoring assistance as recommended by APOC and approved by the Board.

6.3.7 The President and CEO must always report, in a timely manner, actual or anticipated non-compliance with any policy of the Board.

6.3.8 The President and CEO (or designee) will provide the Board, through the Secretary-Treasurer, with periodic updates regarding litigation that is material to the operation of PMI.

6.4 PMI Board Committee Principles

6.4.1 The Board may charter committees to assist and advise the Board in fulfilling its responsibilities in relation to a particular function or topic. The committees are not policy making bodies, but assist the Board by implementing Board policy and recommending actions which require Board approval.

6.4.2 All committees must have an approved charter before committees can assemble and commence work.

6.4.3 Board committees are to help the Board do its job, never to help or to advise the staff. Committees ordinarily will assist the Board by preparing or analyzing alternatives and implications for Board deliberations. Board committees may request information or assistance from the President and CEO or the committee staff liaison, consistent with the performance of the purpose and achieving the deliverables defined in the committee charter.
6.4.4 Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the President and CEO.

6.4.5 Board committees cannot exercise authority over staff. Because the President and CEO works for the full Board, he or she will not be required to obtain approval of a Board committee before an executive action.

6.4.6 The Board may choose to implement the following types of “committees” with their defined purpose and duration, to help accomplish the work of the Board:

a) Board Standing Committees: formally chartered by the Board and charged with preparing for deliberation some aspect of the Board’s normal and annual responsibility. Standing Committees are composed of Directors and the President and CEO, except as otherwise stated in these Rules of the Board.

b) Board Task Teams: Task Teams are formally chartered by the Board, as needed, to assist the Board in accomplishing its work. Task Teams are created to deliver a specific piece of work on the Board’s behalf and will be dissolved upon the completion of the work. Task Teams may be comprised of both Board and non-Board members.

c) Board Support Committees: Board Support Committees are comprised generally of non-Board members and are formally chartered by the Board to assist the Board with some aspect of the Board’s duty. The Board Support Committees have defined purposes and deliverables, consistent with the Bylaws and Rules of the Board and are responsible to follow the Board agenda process. The Board may establish rules that permit Board Directors to serve on Board Support Committees on an exceptional basis.

d) Board Councils: Formally chartered by the Board with individual specific written responsibility to conduct, year after year, some aspect of the organization’s activities for which the Board has ultimate responsibility. Currently chartered Board Councils are: 1) Certification Governance Council: The Council is formally chartered by the PMI Board to support the PMI Board in identifying and supporting the implementation of the strategic objectives as specifically related to the certification program.

e) Ad Hoc Working Groups: Informal teams assigned by the Governance Committee to quickly address an unplanned one-time specific topic, situation, or issue. They are not formally chartered but will have a Statement of Work and should complete their task in the time between Board meetings and automatically dissolve by the time of the next Board meeting after formation, unless their term is otherwise extended by the Governance Committee. They are created when their goal or focus is outside the scope of Board Standing/Support Committee or Task Teams and can be composed of both Board and non-Board members. The Governance Committee is responsible for appointing members of the Ad Hoc Working Group and approving the commitment of resources.

6.4.7 This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless whether the group includes Directors. It does not apply to committees formed under the authority of the President and CEO.

6.5 PMI Board Standing Committees and Task Teams

6.5.1 Establishment. The Board shall establish and maintain Board Standing Committees and Task Teams consisting of incumbent Directors, Non-Board members and the President and CEO as
described in Rule of the Board 6.4.6. These Board Standing Committees/Task Teams shall have no authority to act on behalf of the full Board, except as otherwise provided herein, and shall be established for purposes of assisting the full Board with respect to the fulfillment of its duties and responsibilities by enabling the Board to acquire in-depth understanding of governing and environmental issues which are to be considered by the full Board.

6.5.2 Authority. Consistent with the provisions of this Chapter, Board Standing Committees/Task Teams shall have the authority and the duty to carry out the purposes of the Committee/Task Team, as set forth in the approved Board Standing Committee/Task Team Charters, as approved and authorized by the Board. Each Chair of a Board Standing Committee/Task Team is responsible to the Board for the performance of their respective Committee/Task Team. The Board Chair is a non-voting, Ex-Officio member of all Board Standing Committees and Task Teams.

6.5.3 Reporting. Board Standing Committees/Task Teams shall report to the Board through the Governance Committee, unless specified otherwise.

6.5.4 Charter Review. Board Standing Committee/Task Team charters will be reviewed and approved annually by the Boards, in a process involving the respective committees and staff. Committees/Task Teams may not meet nor act without a current, approved charter.

6.5.5 Limitations. Board Standing Committees/Task Teams shall be prohibited from any activities or actions that will cause PMI to be legally or financially bound to an agreement or other relationships. Board Standing Committees/Task Teams shall be limited to the activities set forth in their formal and approved Board Standing Committee/Task Team charters consistent with law, the Bylaws and Rules of the Board.

6.5.6 Purpose. Board Standing Committees/Task Teams shall be determined by the Board. Currently the following Board Standing Committees exist:

a) The Governance Committee. The Governance Committee consists of the Board Chair (who serves as its Chair), Vice Chair/Compensation Committee (CompCom) Chair, the Secretary-Treasurer/Audit and Performance Oversight Committee (APOC) Chair, the Strategy Oversight Committee (SOC) Chair and the President and CEO. The Governance Committee is accountable for coordinating the work of the other Standing Committees/Task Teams, for acting as the communications conduit to and from the Board and the Board's committees and Task Teams, for recommendations to the Chair for the Board's agendas, the development of the Board's governing capacity, and for the maintenance of the Board - President and CEO relationship.

1) Emergency Actions. If an emergency occurs, the Governance Committee may act on behalf of the full Board with the same force and effect as if the full Board had acted upon the matter. For purposes of this section, an "emergency" is defined as a sudden and unforeseen event or crisis (i.e., fiscal peril that threatens the existence of the organization, a grave personnel matter, etc.) that requires deliberation and a formal decision or action by the Board within one to five days of the event or crisis. Special Board meetings, in accordance with the Bylaws Article VIII, shall be established for all events or issues that can be addressed in timeframes greater than five days. All decisions made by the Governance Committee under this provision shall be captured in formal written minutes, consistent with the Rules established in Chapter 8 for the
recording of minutes of the meetings of the Board and shall promptly be reported to
the full Board.

b) The Strategy Oversight Committee (SOC) is chaired by a Director who is elected under the
procedures set forth in Chapter 7 of these Rules of the Board and consists of its Chair,
appointed Board Directors and the President and CEO. The purpose of the Strategy
Oversight Committee (SOC) is to annually oversee the Institute’s strategy direction,
approval, implementation review and reporting in alignment with the roles and
responsibilities of PMI Senior Management Team.

c) The Audit and Performance Oversight Committee (APOC) is chaired by the Secretary-
Treasurer and consists of its Chair, appointed Board Directors and the President and CEO.
The Audit and Performance Oversight Committee (APOC) is responsible for monitoring
PMI’s operational and financial performance, oversight of the annual audit, and for ensuring
alignment between strategic priorities, PMI programs and their annual budgets in accordance
with Rule of the Board 6.3, Organizational Monitoring.

d) The Compensation Committee (CompCom) is chaired by the Vice Chair and consists of its
Chair, the Board Chair, the Immediate Past Chair, and appointed Directors. The
Compensation Committee (CompCom) is responsible for the management and application
of the CEO performance management and compensation practices in accordance with the
Board Level 1 PMI President and CEO Performance Management and Compensation
Policy. Appointed Directors serve a two year term on the Committee, provided that they are
still current members of the Board of Directors in that second year. If the Immediate Past
Chair is not a currently serving Director, the Immediate Past Chair can be assigned to the
Committee as described in Rules of the Board 7.0.2. a), conditioned upon his or her
compliance with the Institute's Confidentiality and Conflict of Interest Policies.

6.5.7 Appointment of Standing Committee/Task Team Members.

a) Before January 1st of each year, the incoming Governance Committee will meet for the
purpose of advising the Chair as to the appointment of the members to the other Board
Standing Committees/Task Teams, with consideration given to ensuring knowledge
continuity on each committee. The Chair will also seek Board input on desired outcomes of
the Committee/Task Team member selection process. Appointment is subject to Board
approval.

b) Staff Support of Committees/Teams. The President and CEO shall be responsible for the
staff's planned annual support of the PMI Board Standing Committees/Task Teams. The
President and CEO shall assign a senior executive and an administrative assistant in support
of each Standing Committee/Task Team, both of whom shall be responsible to President
and CEO. The Standing Committee/Task Team Chair is responsible for reaching agreement
with the President and CEO for planned and ongoing support of each respective
Committee. No member of the staff may be appointed as a member of, or to support, any
Task Team or Board Support Committees without the prior approval of the President and
CEO.

6.6 Board Support Committees

6.6.1 Definition. Board Support Committees are committees comprised of individuals who are not
members of the Board (except where an exception has been approved by the Board). Non-PMI,
non-voting members may be considered for committee membership and other groups consistent
with the Committee’s Board-approved charter. Board Support Committees exist to support the
work of the Board and are held accountable as defined in individual charters, which must be approved by the Board.

6.6.2 Establishment.
   a) The Chair, with approval of the Board, may establish and maintain Board Support Committees, as deemed necessary and effective, to advise and assist the Board with respect to fulfillment of its duties concerning specific, long-term issues and matters of importance to PMI, except the Nominating Committee, which shall be constituted as set forth in Article VI, Section C of the Bylaws.
   b) Board Support Committees shall be established in a manner consistent with the Bylaws and applicable Rules of the Board through a Board-approved Charter, which shall specifically identify the issues, purposes, composition, authority, responsibility, accountability, annual reporting and duration of each Board Support Committee.

6.6.3 Authority and Limitations.
   a) Authority. Board Support Committees shall have the authority and the duty to carry out their purposes, as set forth in the formal Board-approved Support Committee Charter.
   b) The charter of each Board Support Committee shall identify the linkage and supervision from the Board.
   c) Limitations. Board Support Committees shall be prohibited from any activities or actions that shall cause PMI to be legally or financially bound to an agreement or other relationships. Board Support Committees shall be limited to the activities set forth in the formal Board Support Committee Charters consistent with law, the Bylaws and applicable Rules of the Board.

6.6.4 Volunteer Recruitment
   a) The PMI Governance Committee will have management authority over the Board Volunteer Advisory Committee (BVAC) in line with their responsibility to ensure “effective functioning of the Board”.
   b) In accordance with his/her authority to implement policies of PMI, the President and CEO shall execute, with assistance of the Board Volunteer Advisory Committee, the recruitment process for Board Support Committee candidates and other Board appointment candidates. This recruitment process will be used by the Board Volunteer Advisory Committee in recommending final candidates to the Governance Committee to be presented to the Board for review and approval. The recruitment process will use the philosophy and resources, including but not limited to, described in 6.6.4 a) thru g).
   c) Staff will engage in a proactive/targeted recruitment approach for Board Support Committee, Board Task Team and other Board Appointment candidates.
   d) The following resources may be engaged to recruit Board Support Committee, Board Task Team and other Board Appointment candidates, including but not limited to recommendations from:
      1) Board of Directors
      2) President and CEO
      3) Past Volunteer Leaders
      4) Chairs of Board Support Committees
      4) Staff
5) Regional Mentors
e) Staff will leverage the volunteer database to identify qualified candidates who meet the criteria established in the new Level 1 Policy: Candidate Criteria for Board Appointees.
f) PMI requirements, volunteer experience and skills to qualify for consideration for appointment to a Board Support Committee/Task Team are available to view at [http://www.pmi.org/en/Get-Involved/Volunteer-Opportunities.aspx](http://www.pmi.org/en/Get-Involved/Volunteer-Opportunities.aspx)

6.6.5 Charter Review. The Board shall annually review each Board Support Committee Charter to ensure compliance with all committee requirements Rules and Policies developed by the Board. The Board retains the sole and exclusive authority to approve, require revisions, suspend, deny, or revoke any Board Support Committee Charter, consistent with the Bylaws and applicable Rules. Board Support Committees may not act without a current, approved charter.

6.6.6 Dissolution. The Board may dissolve Board Support Committees by revocation or non-renewal of the Board Support Committee Charter. Revocation and/or non-renewal of a Board Committee Charter shall occur when the Board determines that the Board Support Committee has fulfilled its purpose(s), or that such action is in the best interests of PMI and in accordance with applicable Rule of the Board.

6.6.7 Committee Appointments. Consistent with the Level 1 Candidate Criteria for Board Appointees Policy and the Board Volunteer Advisory Committee’s process, the Governance Committee will review proposed committee appointments presented and offer feedback, as may be determined, prior to seeking Board approval. Staff and Non-member Volunteer Appointments. The Chair, at his/her discretion, may appoint Staff and non-PMI members as full and voting committee members as deemed appropriate and beneficial. While on a committee, staff and non-PMI members are required to adhere to PMI Member Ethical Standards and other applicable PMI policies of which the individual is given notice.

6.6.8 Volunteer Appointment. The President and CEO shall direct that a letter of appointment be distributed to all Board-appointed volunteers communicating that their agreement to serve will be in compliance with:
a) Rule of the Board 12.1, Board and Board Committees Code of Conduct
b) The committee charter and the roles and responsibilities delegated therein, including volunteer and other relevant policies and procedures described therein.
c) Completion and submission of the PMI Conflict of Interest Questionnaire
d) Completion and submission of the PMI Confidentiality and Records Compliance Agreement
e) Copyright Assignment Form (where applicable).

6.6.9 Effective Date of Appointment. Appointments will be effective in line with the term set forth in the charter and after required completed forms are received.

6.6.10 Non-acceptance. If a volunteer provides notice of non-acceptance or does not return required forms within the specified time period, the Chair may appoint another interested volunteer, ensuring that the original volunteer is properly notified.
6.6.11 Committee Member Term. A committee member is appointed for the term as defined in the committee charter.

a) Reappointment to a Second Term. The Board may approve a maximum of two terms in total for a committee member subject to the member being evaluated and recommended by the BVAC against all other nominations.

b) Extending a Committee Member Term. The Chair may extend the term of a committee member.

c) Committee Member Resignation. All committee members are encouraged to rapidly communicate to the Committee Chair if their personal situation no longer allows them to devote the necessary time to fulfill their committee commitments (in case of a committee Chair, to the Chair). If no other solution can be found, members should terminate their participation on the committee by sending a letter of resignation to the Chair.

d) Committee Member Removal. The Chair may, at any time, rescind the appointment of a Chair or member to a committee for any reason. (Such reasons could be that the committee purpose has become obsolete due to new developments, non-performance of the respective person, inability to adequately resolve a conflict of interest or a personality clash that hampers the committee’s ability to deliver the expected result.) The decision of the Chair cannot be appealed.

e) End of Committee Member Term. Upon the conclusion of a committee member term, a letter of recognition and appreciation will be sent to the volunteer. The letter will state that the volunteer should retain the recognition letter for use in receiving PDU credit for their volunteer activity, as applicable. In addition, the volunteer shall be surveyed regarding his/her committee experience to continually enhance the attractiveness and effectiveness of PMI’s volunteer program.

f) Vacancies. In the case of a vacancy, resignation, or removal of a committee member, the Chair may appoint another qualified individual to fill the vacancy for the unexpired portion of the term. The time of service of an unexpired term does not apply to the length of terms specified in paragraph 6.6.11 a).

6.7 Board Development

6.7.1 Newly elected Directors. Newly elected directors shall be prepared to fulfill their duties and role at the beginning of their term of service through an established development program.

6.7.2 Continuing Directors. Continuing Directors shall refresh their ability to fulfill their duties and role at the beginning of each year of service through an established development program.

6.7.3 Serving Directors. Serving Directors shall have access to additional development as needed or desired during their term of service through an established development program.

6.7.4 Newly elected Board Officers and Standing Committee Chairs. Newly elected Board officers and Standing Committee Chairs shall be prepared to fulfill their role at the beginning of their term of service through an established development program.
6.8 PMI Educational Foundation (PMIEF)

6.8.1 The Board recognizes the Project Management Institute Educational Foundation, Inc. (PMIEF) as a public charity and supporting organization of PMI in accord with applicable laws of the USA.

6.8.2 PMIEF elected board directors may not seek subsequent terms as a PMI board appointed director.

6.8.3 The PMIEF funding requests and reports to the Board will be reviewed by the Audit and Performance Oversight Committee (APOC) prior to distribution to the Board.

6.8.4 PMI will provide support to disaster relief through the PMIEF and other entities.

6.8.5 The APOC Chair will act as the Board communication contact for the PMIF Chair to answer questions or address concerns on an as needed basis.
Chapter 7 - Nomination/Election of Officers of the Institute

7.0 Nomination and Election of Officers of the Institute and Board Standing Committee Chairs

7.0.1 Board of Directors.
   a) Incumbent Board. The incumbent Board and its members are those whose term of office concludes at the end of the current calendar year.
   b) Incoming Board. The incoming Board and its members are those whose term of office begins on the first day of the next calendar year and those whose term continues for the next calendar year.

7.0.2 Officer Positions and Board Standing Committee Chairs. The Officer positions are as described in the Bylaws and elected annually by the Board. The Board Chair shall chair the Governance Committee, the Vice Chair shall chair the Compensation Committee, and the Secretary-Treasurer shall chair the Audit and Performance Oversight Committee (APOC). The Board shall also elect a member, who is not an Officer as described in the Bylaws, to serve as Chair of the Strategy Oversight Committee (SOC). As used herein the term "Committee Chairs" means the Officers in their roles as Chairs of the Board Standing Committees and the Chair of any other Board Standing Committee that the Board may from time to time create.
   a) Immediate Past Chair. The former Board Chairs will assume the title of Immediate Past Chair for one calendar year only (Jan.-Dec.) immediately following completion of their term of service as Board Chair. In the capacity of Immediate Past Chair, individuals will be assigned tasks at the discretion of the incumbent Board Chair but will have no official authority as an officer of the Board as defined in the Bylaws.

7.0.3 Special Election Meeting. Consistent with Bylaws Article VII, Section A, 3), the incoming Board shall conduct a Special Election Meeting subsequent to the announcement of the incoming Board election results, for the purpose of electing the incoming Officers of the Board and the incoming Board Standing Committee Chair. The meeting shall take place as soon after the announcement of the Board election results as practicable.

7.0.4 Board Member Statements.
   a) Declaration of Interest for Board Officer Positions and Standing Committee Chairs. Board members who may be interested in election to a Board Officer position or a Standing Committee Chair will be encouraged to complete a Declaration of Interest Statement. The purpose of this form is not a self-nomination, but to provide the Board with a sense of each member’s interest and qualifications in the various positions, reducing the discomfort associated with on-site nominations. Completing this form is voluntary and does not commit any candidate to, or prevent any candidate from accepting a nomination at the Special Election Meeting to elect Board Officers and Standing Committee Chairs.
   b) Biographical Statement. All Board members will be requested to complete a short biographical statement that will be shared with other members of the Board prior to the Special Election Meeting to elect Board Officers and Standing Committee Chairs.

7.0.5 Introductions. One of the first items on the Agenda will be an introduction period to facilitate the process for existing and new Directors to begin to know each other. During this period, each Board member will be given no more than two (2) minutes to verbally give a brief biography of
themselves, their vision for PMI and any key issues they feel should be addressed by the Board in the coming year.

7.0.6 Presiding Officer. The Presiding Officer shall be the Incumbent Chair or the Incumbent Chair’s designee, subject to Board approval.

7.0.7 Acceptance by Resolution. Officer and Committee Chair(s) election results and any other formal actions taken at the Special Election Meeting shall be acted upon by ratification, as the first item of business, at the first scheduled meeting of the year of the incoming Board.

7.0.8 Eligibility. All Directors of the incoming Board shall be eligible for nomination to any and all positions.

7.0.9 Officer Role, Duties & Terms of Office. As specified in the Bylaws and the Rules of the Board.

7.0.10 Nominations. The Presiding Officer will call for verbal nominations from the floor, for one position at a time, beginning with the highest-ranking position, i.e., Chair. Individuals may self-nominate or be nominated by others. All nominations made shall be accepted, subject to: 1) the nominee being a member in good standing; 2) the nominee agreeing to serve if elected. All such nominations will be included on a written ballot prepared at the Special Election Meeting. The Presiding Officer will close nominations when it is apparent that there are no further nominations, and call for voting for that position. Nominations for the next position shall follow when voting is completed and results are announced. The nomination process shall conclude when nominations have been closed for the final vacant position. Unsuccessful nominees for one position are eligible for nomination for other positions.

7.0.11 Campaign & Electioneering. There shall be no campaigning and/or electioneering prior or subsequent to nominations at the Special Election Meeting. Potential nominees and/or actual nominees shall not utilize personal, business or PMI resources for campaigning and/or electioneering. Gifts and/or contributions by others, on behalf of potential or actual nominees is not permitted. Violations shall be brought to the attention of the incumbent Chair for review, who shall inform the individual(s) involved in writing of the complaint. Failure to abide by the rules may result in disqualification.

7.0.11 Independent Teller. The Chair will appoint a minimum of two (2) Tellers, along with General Counsel for the purposes of collecting, counting, certifying and informing the Presiding Officer of the voting results. After informing the Presiding Officer of the results of each ballot, the Tellers shall return one (1) of each ballot certification to the President and CEO in case of a contested ballot. All ballot contents shall be kept confidential and destroyed after one year.

7.0.12 Voting,

a) Voting Eligibility. Only Directors of the incoming Board are eligible to vote.

b) Voting. The voting process is a synergistic-building model, which also eliminates need for run-off elections, except in case of a tie vote between two nominees.

c) Voting Method. Each voter shall write in and rank on individual ballots the nominees for the positions of Chair, Vice Chair, Secretary-Treasurer and Committee Chairs(s), using a #1 for their first choice, and #2, #3, #4, etc. The number of nominees for each position determines the number of rankings to be used in voting for each position.
d) Required Vote. Voters must register a vote for every candidate, i.e., rank all nominees for each position. Incomplete ballots will be discarded.
e) Declared Winner. The Teller will declare the candidate receiving the lowest numerical total score the winner. Except in the case of a tie, winners will be selected as a result of the first round of voting.

7.0.14 Tie Vote. In the case of a tie vote, the Teller will inform the Presiding Officer, who will call for subsequent balloting using written ballots prepared for the purpose. The balloting will continue until the Teller informs the Presiding Officer of a winner in the tied election.

7.0.15 Announcement of Results to Membership. The incumbent Chair shall announce the results of the Officer and any Committee Chair elections to the membership as soon thereafter as practicable.
Chapter 8 - Meetings of the PMI Board of Directors

8.0 Meetings of the Board (Annual, Regular, and Special)

8.0.1 Regular Meetings, Time and Location. There shall be three (3) regularly scheduled meetings of the Board unless otherwise decided by the Board. The Board’s meeting cycle will be in accordance with Annual Master Planning and Agenda Cycle Calendar maintained by the Governance Committee.

8.0.2 The Annual meeting of the Board shall be held to coincide with the North American Global Congress. The Leadership Meeting may be scheduled at the same location, so as to enable interaction of all participants.

8.0.3 Selection of Meeting Site. The President and CEO is responsible for the approval of meeting sites and means.

8.0.4 Meeting Notices, Agenda Items & Materials.
   a) The Board’s Annual Meeting Calendar will be posted on the Board Online Community. The Board Standing Committees, President and CEO or any member in good standing may submit agenda items to be considered for placement on the Board’s agenda by the Chair. In order to provide Directors sufficient time for review and consideration to make knowledge-based decisions proposed agenda items, and all supporting materials must be submitted to the Chair, by the pre-determined date set forth in the calendar. All agenda items requiring action must include pre-written motions using the standard Board Agenda Topic Form which is subject to revision by the Governance Committee and/or the Board. Agenda items such as presentations and reports that do not request Board action do not generally require an Agenda Topic Form; however the Governance Committee may request a form at its discretion. No agenda items will be received onsite unless, at the discretion of the Chair, they are deemed “emergency” items of a legal, fiscal, or ethical nature or unless the Board approves the suspension of this Rule of the Board by a three-fourths vote. The Chair must cause feedback to occur to the originator of each proposed agenda item regarding the acceptance, redirection, scheduling, or rejection of the item and, for those items accepted for the agenda, ultimate Board disposition of the item.

   b) Meeting Agenda. The Board’s meeting agendas shall be established in accordance with the Annual Master Planning and Agenda Cycle Calendar. All items proposed for a Board agenda, shall be directed to the Governance Committee, which is accountable for recommending to the Chair whether or not an item is properly prepared to be heard by the Board, and at which meeting, given the Board’s other priorities. The Chair shall cause the Governance Committee to schedule its meetings sufficiently early for the necessary agenda deliberations and for the subsequent actions necessary by others in order to complete and distribute full and complete agenda materials as required elsewhere in this document.

   c) Consent Calendar. The Agenda shall, where appropriate, include a Consent Calendar for “Receipt” and “Approval” items, respectively. Reports and communications for Board information only shall be placed in the Consent Calendar for Receipt. To the maximum extent possible, the Consent Calendar for Receipt shall be electronically transmitted and posted in the Board Online Community. Items of a routine and recurring basis, requiring Board action, may be placed in the Consent Calendar for Approval. The Chair, upon request of any Director at a meeting, will remove any item from the Consent Calendar for Approval,
for discussion. Items remaining on the Consent Calendar for Approval, for a given meeting, shall be approved, as appropriate, through a formal action by the Board.

d) Agenda Materials. Agenda materials, including completed Board Agenda Topic Form, and all supporting documentation received by the pre-determined cut-off date, will be electronically distributed to all members of the Board, as soon as feasible, but not later than 15 days prior to an in-person meeting and five days prior for special meetings held by telephone conference or similar forms of telecommunications. Material relevant to agenda items received after the pre-determined cutoff date will be electronically posted after the meeting.

e) Reporting to the Board. Refer to the Level 1 Reporting to the Board Policy found in the Board portal for reporting types, requirements, schedule and structure.

8.0.5 Minutes of Board Meetings.

a) PMI Associate Corporate Secretary. The President and CEO shall provide an Associate Corporate Secretary, to assist the Secretary-Treasurer, and who shall draft, prepare and distribute agendas, and take, prepare and distribute for review, drafts of all meeting minutes for the Board, except for Executive Session.

b) Secretary-Treasurer. The Secretary-Treasurer shall ensure the recording of true minutes of all Board meetings working with the Associate Corporate Secretary.

c) Contents of the Minutes. Written minutes for each meeting of the Board shall contain the Directors of the Board, in attendance, and the actions taken. At the discretion of the Secretary-Treasurer, the minutes may contain reports or other documents considered at a meeting.

d) Minority Reports and Dissentions. A minority report may be included in the minutes of the Board, or otherwise made available to the membership on any questions on which action is taken by the Board, provided that at least 20% of the Board has requested that such a minority report be issued; any Directors of the Board may request that their dissenting vote, and the reasons therefore, be recorded in the minutes.

e) Minutes of Executive Session (Closed Session). No minutes shall be kept of Executive Sessions of the Board unless and until formally directed by the Board. Any and all such minutes shall be deemed privileged and confidential. Such minutes shall be signed by two (2) other members of the Board present at the meeting and shall be kept by the PMI Associate Corporate Secretary in accordance with PMI’s Record Retention Policy. Distribution of Minutes. The draft minutes of each meeting shall be reviewed by the Chair, Secretary-Treasurer and President and CEO prior to distribution for the next regularly scheduled meeting. The Board shall receive complete draft minutes of each meeting prior to their next regularly scheduled meeting. A summary of the draft minutes of each meeting shall be posted on www.pmi.org following the review by the Chair, Secretary-Treasurer and President and CEO, clearly indicating the draft status of the minutes and the tentative and potentially risky nature of any action taken based on these minutes.

f) Approval of Minutes. When approved by the Board the Minutes of Board meetings shall thereafter be signed by the Secretary-Treasurer. No action of the Board shall be considered final until the minutes are approved and signed, unless another time is specified in the body of the motion which meets the following criteria:

1) the effective dates requested is germane to a business reason for the motion and
2) delaying the effectiveness of the motion until the minutes are approved would significantly impact PMI’s ability to implement the motion, if passed.

8.0.6 Special Action by the Board without Meeting
a) The Board may be required to pass motions outside of the normal Board meetings. Per Bylaws Article VII, Section E “any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by all Board Directors” providing consent to act without an in-person or telephonic meeting.

b) The PMI Associate Corporate Secretary will prepare a package consisting of the motion for consent, all other motion(s) and supporting material required for the motion(s) which is then distributed electronically to all Directors at their official PMI email address.

c) Directors must vote in favor of addressing an action via unanimous written consent before the action of the electronic package can be addressed. If there is not unanimous written consent, then the motion(s) will be added to the agenda of the next Special or Regular Board meeting. If there is more than one motion to be addressed via written consent, motions should be individually presented so Directors can cast their vote separately for each motion.

d) A simple majority is required for each motion to pass, unless otherwise required by the Bylaws or these Rules of the Board. The Directors will have a minimum of seven (7) calendars days to vote using the method identified in the package and approved by the Secretary.

e) The results will be shared electronically and brought to the next regular meeting as a receipt item.
Chapter 9 - PMI Board – President and Chief Executive Officer (CEO) Relationship

9.0 PMI Board - President and Chief Executive Officer (CEO) Relationship

9.0.1 The Board and the President and CEO. The Board and the President and CEO will work to establish an open and productive relationship to achieve and implement the established goals and objectives and the Board’s ability to give official direction to the operational organization shall be through the President and CEO. In the President and CEO’s absence, directions from the Board should be directed through such Vice President or other staff member as the President and CEO may designate.

9.0.2 Decisions. Only decisions of the Board, acting as a full body, are binding on the President and CEO. Accordingly:

a) Decisions or instructions of individual Board, officers or committees will not be binding on the President and CEO except in instances when the Board has specifically authorized such exercise of authority.

9.0.3 Policy Review. The Board may, from time to time, direct the President and CEO to engage a 3rd party review of PMI policies to ensure they are up to date, relevant and executed.

9.0.4 Requests to the President and CEO. In the case of Directors or committees requesting information or assistance without Board authorization, the President and CEO can refuse such requests that require, in the President and CEO's opinion, a material amount of staff time or funds, or are disruptive. In the President and CEO’s absence, requests for support or information should be directed through such Vice President or other staff member as the President and CEO may designate.

9.0.5 President and CEO Employment. The President and CEO serves at the pleasure of the Board, and is engaged through a contract approved by the Board. The contract specifies the specific roles and responsibilities of the President and CEO, term of employment, compensation, benefits, compensation practices, evaluation processes, and other such issues to ensure a professional relationship between PMI and the President and CEO.

a) The Governance Committee manages the employment relationship with the President and CEO on behalf of the Board including oversight and administration of the President and CEO Employment Agreement and review of total compensation recommendations from the CompCom prior to submission for Board approval, in accordance with the Board Level 1 PMI President and CEO performance management and Compensation Policy.

b) President and CEO performance management and compensation practices are administered in accordance with the Board Level 1 PMI President and CEO Performance Management and Compensation Policy. The Board shall award adjustments in base compensation and variable compensation awards consistent with the term of the President and CEO contact.

c) Expectations for the President and CEO. Annual objectives are established in accordance with the Board Level 1 PMI President and CEO Performance Management and Compensation Policy and the President and CEO contract. In addition, the Board expects on an ongoing basis that the President and CEO will:

1) Establish satellite offices as deemed appropriate and necessary for conducting PMI business.
2) Implement and follow all PMI policies, established by the Board.
3) Comply with applicable municipal, state/provincial, and federal laws and regulations of any country in which PMI operates.
4) Provide sufficient periodic information as required to ensure that the Directors of the Board can fulfill their fiduciary and strategic responsibilities.
5) Provide appropriate levels of support to PMI committees, tasks teams, councils and other entities established by PMI.
6) Ensure alignment of the program plan and budget, including PMI’s products/services/offerings, with the strategic plan via the balanced scorecard process.
7) Avoid conflict of interest in the day-to-day activities, by exercising accepted practices.
8) Carry out all directives as assigned by the Board.
9) Ensure that volunteers are only reimbursed for reasonable expenses in connection with their volunteer activity.
10) Provides analysis and strategic input to the Board and implements strategy per the Level 1 Strategic Framework Policy.
11) Obtain Board approval for the acquisition, establishment or dissolution of legal entities.
12) Obtain Board approval for settlements of threatened or pending litigations in excess of $2,500,000.
13) Obtain Board approval for projects with a total capital value in excess of $10 million.

d) To further ensure a professional relationship between the Board and key staff, the President and CEO will annually solicit feedback from the Board through the Governance Committee regarding key staff, as determined by the President and CEO through a process to be established by the President and CEO.

9.0.6 Decision Making and Delegation. The President and CEO will delegate such authority to staff and other qualified professionals or organizations to carry out the directions and expectations of the Board. In addition, the President and CEO will ensure distribution of duties so that PMI operations and daily activities can be carried out without interruption, in the event the President and CEO is unavailable or, in some way, incapacitated. Accordingly, the President and CEO will:

a) Ensure that at least two (2) executives are familiar with the Board and President and CEO issues and processes.

b) Distribute responsibilities appropriately to ensure that the proper administrative and financial controls are maintained.

c) Maintain and review annually with the Governance Committee the Top Level Executive Succession Plan for the President and CEO.

9.0.7 Attached to the Rules of the Board as Appendix A is a chart which summarizes the delegation of authority by the Board of Directors to the President and CEO as contained in the Bylaws and these Rules of the Board. The chart is for convenience only and is not intended to take precedence over the actual Bylaws and Rules of the Board referenced therein.
Chapter 10 - PMI Components and Other Subsidiary Groups

10.0 Charter Approval, Review and Maintenance

10.0.1 Delegation of Authority for Component Chartering and Charter Renewals to the President and CEO. The Board authorizes and delegates to the CEO the authority to charter, renew or revoke a component (including chapters) as long as it is consistent with and does not conflict with the PMI governing documents or the laws of the country, state, province or other governmental jurisdiction in which the component is (to be) established. Likewise, the Board delegates to the CEO the authority to develop and approve policies, charter agreements and criteria which control and regulate the establishment, operation and revocation of chartered subsidiary components (including chapters) and other subsidiary groups. This includes:

a) Ensuring that all Components and other subsidiary groups are properly incorporated and compliant with tax filing laws at the federal, state, national level and/or otherwise as legally appropriate.

b) Updating the charter agreement template from time to time to reflect related changes in Rules of the Board as appropriate; and agreeing to modifications of the then current charter agreement if a Component requires modifications due to legal requirements in the jurisdiction in which the Component is (to be) incorporated/registered or due to other circumstances, as long as these modifications do not materially conflict with PMI governing documents.
Chapter 11 - Allied Society and Cooperative Relationships

11.0.1 The Board delegates authority to the President and CEO (CEO) to develop and approve policies and procedures to govern the establishment of allied and cooperative relationships. In addition, the CEO is delegated the authority to develop, execute, and implement allied and cooperative agreements provided they are consistent with PMI’s governing documents and applicable laws and to maintain the Level 2 Allied & Cooperative Relationships Policy intended to administer the formation and support of allied and cooperative relationships with PMI. The CEO shall report annually to the Board on the status of each allied and cooperative relationship.

11.0.2 The Board reserves the authority to approve relationships with allied societies.
Chapter 12 - Governance Style

12.0 Governance Style

12.0.1 Board Standing Committees. The Board will clarify its governing role and strengthen its capacity to govern with excellence through Board Standing Committees, chartered to perform defined functions to assist the full Board. These committees will serve as governing engines but the Board, as a whole, will make final decisions collectively.

12.0.2 Board Discipline. The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, respect of roles and ensuring continuance of governance capability. Board development will include orientation of new Directors in the Board’s governance process.

12.0.3 Self-Monitoring. The Board will monitor and discuss the Board’s process and performance.
12.1 PMI Board and Board Committee Member’s Code of Conduct

12.1.1 The Board commits all Directors and all Committee members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board or Committee members. Accordingly, Board and Committee members:

a) Must conduct themselves with unconflicted loyalty to the interests PMI and its stakeholder members. This accountability supersedes any conflicting loyalty, such as loyalty to other advocacy or interest groups, membership on other boards, and professional responsibility to an employer. It also supersedes the personal interests of any Board or Committee member.

b) Must not breach their fiduciary responsibility to PMI and must avoid conflict of interest, as well as the appearance of any conflict of interest, with respect to the following:

1) There must be no self-dealing, nor any private business activity, nor personal services between any Board or Committee member and PMI regardless of whether or not the services or products comprising the business activity are rendered for free or for compensation, including expenses. For purposes of this section a “Board or Committee member” includes any organization in which the Board or Committee member, or any member of their immediate family, has a beneficial ownership interest of at least ten percent or is an officer or member of the organization’s Board of Directors.

2) For purposes of section a, above, “private business activity” and “personal services” do not include participation in PMI programs and activities that are available to all qualified PMI members, organizations and/or the public, such as the Registered Educational Providers (REP), PMI certifications, entering into intellectual property permissions agreements, purchasing booths at Congresses (but not personally man the booth), provided that no preferential treatment is given to any Board or Committee member regarding the qualifications, terms and/or conditions under which he or she is permitted to participate in such programs and activities.

3) Apart from the member’s Board or Committee assignment, no Board or Committee member may engage in any volunteer activity in PMI or any PMI component organization, including but not limited to holding office and/or actively participating in an organization’s training or other professional programs. An exception to this Rule may be granted by the PMI Chair for participation in PMI volunteer leadership development activity and speaking engagements where the cumulative volunteer expertise will benefit members, volunteers and stakeholders provided that no conflict of interest exists.

4) Members of the Board shall inform the Chair and General Counsel and must obtain approval from the Chair to engage in an activity in their individual capacity or that of their employer with activity sponsored by a membership association in the field of program, portfolio or project management to ensure that Board Member Code of Conduct Guidelines in Rule of the Board 12.1 are adhered to. For the purpose of this Rule “activity” means, by way of example, speaking at a conference, being interviewed for print or video publication, giving endorsements, participating in an online program and/or writing an article, blog or paper. (Further Guidance: the limitation in the Rule of the Board to membership organizations does not eliminate the possibility that conflicts may also arise with respect to other kinds of non-profit and for-profit organizations. Direct any questions you may have to the Chair or General Counsel regarding activity with these organizations.)
5) When the Board or a Committee is to decide upon an issue in which a Director or member has an unavoidable conflict of interest, that Director or member shall excuse herself or himself, without comment, from any and all Board deliberations and voting.

6) Board and Committee members must not use their positions to obtain PMI employment for themselves, family members, or close associates. Should a member desire such an employment offer, he or she must first resign from the position of Director or Committee member.

7) Board and Committee members will annually disclose their involvement with other organizations, vendors, or any other associations that might produce a potential conflict under this Rule of the Board.

8) Sitting members of the Board shall not be eligible to receive any PMI or PMI Component organization related award during their tenure on the Board; sitting Board members may not participate in the nomination process for any PMI related award during their tenure on the Board; and the Board may not participate in the nomination review process of any PMI related award.

9) Board and Committee members must abide by relevant PMI-wide policies.

10) The Board may, for good cause, exempt the members of a Board Committee from one or more of the provisions of this Section by stating the exemption in that Committee’s charter, provided that the exemption is adopted by an affirmative vote of at least two thirds of the Board and provided that the exemption does not permit an actual conflict of interest or actual self-dealing.

12.1.2 Board and Committee members may not attempt to exercise individual authority over the organization, except as explicitly set forth in Board Rules of the Board or Committee charters. 
   a) Interaction with the President and CEO or with PMI staff must recognize the lack of individual Director and member authority, except when explicitly authorized by Board Rules or Committee charters.
   b) Interactions with public, press or other entities must recognize the same lack of individual authority and the inability of any Board or Committee member to speak for the Board or Committee, except to repeat explicitly stated Board decisions.
   c) Board and Committee members will give no consequence or voice to individual judgments of the President and CEO or staff performance, except as part of the performance evaluation.

12.1.3 Board and Committee members will respect the confidentiality concerning Board or Committee issues and information of a sensitive nature and adhere to the Level 2 PMI Volunteer Records Management Policy.

12.1.4 Board and Committee members will annually acknowledge compliance with this Rule of the Board by completing an appropriate consent form(s) as provided by executive staff.

12.1.5 Committee Membership. From time to time a retiring Director may be selected to serve on a PMI committee after his/her Board term has expired which will require approval of the Board on which the Director is currently serving. In this case, the Director should abstain from voting on the motion. If the motion is part of a consent calendar, the Director who is named should request that the motion be removed from the consent calendar for a separate vote under Rule of the Board 8.0.4(c). If the Director was under consideration for
a position on a PMI committee requiring Board approval and was not selected, the Director may or may not abstain from voting at his/her sole discretion.
Chapter 13 - Finance and Budget

13.0 Budget

13.0.1 Budget Purpose. In support of Article XIII of the Bylaws, the Board shall approve annually a budget that includes anticipated revenue and expenses and is consistent with the PMI’s Strategic Plan.

13.0.2 Budgeting Cycle. The Board shall ensure that PMI operates each year with a two-year operations plan and one-year budget, in order to organize, plan and allocate resources, including business environment assessments, with maximum vision and delivery. The cycle shall commence and proceed as described below:

a) March-July. The Governance Committee, on behalf of the Board, establishes draft planning assumptions for the governance budget.

b) May-September. The Governance Committee will review the draft governance budget.

c) May-June. The Board will receive the independent auditor’s report and audited financial statements.

d) September-October. Board approves the annual Operations Plan and Budget.

13.0.3 Balanced Budget, Preparation, and Changes.

a) Balanced Budget. The Board charges the President and CEO to ensure that total expenses, plus the required reserve contribution, do not exceed total revenue in the overall PMI budget.

b) Preparation. The Board charges the President and CEO to ensure that the budget is prepared in support of the PMI Strategic Plan.

b. The Board charges the President and CEO to ensure that the budget is prepared with reference to recent actual year-end results and reasonable end of current year projections.

c) Changes. Adjustments to the approved budget may be proposed at any regularly scheduled meeting of the Board or any other special meeting called for considering such changes. Change requests must follow all other standards for budget presentation as outlined in these Rules of the Board.

13.1 Reserve, Operational, and Discretionary Funds

13.1.1 Reserve Funds. The reserve funds are defined and established in the L1 Reserve Policy.

13.1.2 Operational Funds. Operational Funds represent the funds approved by the Board to finance the operations plan and budget of the current year. The Operational Funds must be maintained at a sufficient balance so as to provide for the Target Reserve at the end of the year, as determined by the L1 Reserve Policy.

a) Use of Operational Fund. The President and CEO has full use of the operational funds as long as such use is in accord with the approved Operations Plan and Budget and generally accepted business practices.
b) Excess Operational Funds. These are funds accumulated during the current year, which are projected by the President and CEO with a high degree of probability to exceed the contribution to reserves committed to in the operations plan and budget, and any required reserve contribution.

c) Use of Excess Operational Funds. These funds may be used at the discretion of the President and CEO to:

- Augment approved budgeted operating programs and initiatives for the purpose of ensuring more successful outcomes during the current operating year.
- Support new and emerging programs that are supported by a board-approved business plan.

d) Unexpended Operational Funds. All annual operational fund balances remaining after close of the fiscal year shall be transferred to the Reserve Funds, unless the Board grants specific exception.

13.1.3 Discretionary Funds. These funds are to be used for reasonable Director-related expenses not incurred in the ordinary course of business and which are not funded by other Board activities. The use of discretionary funds is further described in the L1 Board Development Policy.

13.2 Investments Policy

Investments shall be managed in accordance with the L1 Investments Policy approved by the Board.

13.3 Capital Obligations and Indebtedness Policy

In the prudent execution of the annual Operations Plan and Budget, the President and CEO shall ensure that any incurred capital obligations and/or indebtedness can be repaid by unencumbered revenues or assets. The current limit for indebtedness is not greater than one year. Capital obligations and indebtedness of greater than one year must be approved by the Board.

13.4 Auditor Selection

Selection and termination of the external auditor shall be the sole responsibility of the Board and performed in accordance with the Board-approved Level 1 policy, Engagement of External Auditor Policy.
Chapter 15 - Amendment and Interpretation of Governing Documents

15.0 Governing Documents

15.0.1 Precedence of PMI’s Governing Documents. PMI and its members are governed by the following governing documents, listed in the order of their precedence:

a) Articles of Incorporation. The Articles have been duly filed with the Commonwealth of Pennsylvania and constitute the chartering document. Amendments to the Articles of Incorporation are governed by the Pennsylvania Nonprofit Corporations Act.

b) Bylaws. The Bylaws are required by law. Their implementation and amendment are governed by Pennsylvania Law and the specific provisions of the Bylaws dealing with those matters.

c) Rules of the Board. Rules of the Board are established and adopted by the Board to supplement the Bylaws.

d) Policies. Policies are established and adopted to provide direction, guidelines and limitations for certain identified activities that affect the Institute at large. The three levels of Policies are: Level 1: Board approves and monitors; Level 2: President and CEO approves and the Board monitors; Level 3: President and CEO approves and monitors.

e) Motions and Resolutions. These are the vehicles by which the governing documents are amended or adopted and by which the Board otherwise conducts its business.

15.0.2 Directional Documents are documents that provide the Board direction regarding specific decisions, programs and activities. Directional documents, unless otherwise specified, may be approved and amended by a majority of the Board.

a) Strategic Plan. A Strategic Plan is developed & maintained by the Board to identify and document the strategic plan for the organization. The Strategic Plan will facilitate PMI’s identification of the future needs of stakeholders and PMI’s options for satisfying those needs.

b) Board Leadership Continuity Principles (BLC). The BLC Principles are a set of guiding foundational principles to assure the uninterrupted attention to and preferably acceleration of the momentum on the organizational direction and priorities established by the Board. These principles are intended to sustain a strategic approach to PMI’s future and continued focus on its strategic direction; sustain attention to prudent fiduciary oversight; and sustain focus on institutional priorities and momentum during the continuing pace of fast and deep change projected for PMI, its stakeholders, and the profession served by PMI.

c) Culture Statements and Protocols. A culture statement helps define who the Board is by highlighting elements that describe the Board’s behavior and beliefs. A defined culture inspires high performing individuals to work together effectively and assist with decision-making. Board principles and protocols are in place as guide rules for the Board Directors to follow as they execute their roles and responsibilities in-person and virtually.

15.0.3 Amendment Procedure for Governing Documents.

a) Prior Legal Review of all Proposed Changes to Governing Documents

1) Before any amendment or revision to any of the governing documents shall be submitted, as applicable, to either the Board or membership for a vote, PMI General Counsel shall review and approve it as consistent with the other governing documents, and as being within the power of the Board or membership, respectively, to adopt as the applicable decision-making body, in correct legal form and otherwise legally proper. No amendment or revision may be implemented if found by General Counsel to not meet
the requirements of the Prior Legal Review of all Proposed Changes to Governing Documents paragraph. In such case, General Counsel shall deliver a written finding to the Board. The finding shall identify the manner in which the amendment fails to meet the legal review requirements. At General Counsel’s discretion, the finding may also include suggestions that would allow the amendment to satisfactorily meet the requirements of Paragraph 15.0.3 a) 1).

b) Effective Date of Amendment. Except as to amendments of the Bylaws which are governed by Article XV, Section B thereof, and unless otherwise specifically defined in the Motion or Resolution regarding the proposed amendment, all amendments to any of the governing documents shall be effective upon the date of approval and signing of the minutes of the Board meeting in which the changes were adopted.

c) Maintenance of Amendments and Revisions. Each duly adopted change to a governing document will be immediately placed in that document by the Secretary-Treasurer, indicating its effective date. Once the amendment becomes effective, the effective date notation should be deleted from the document.

d) Bylaws Amendments. Amendments to the Bylaws are governed by Bylaws Article XV.

e) Amending the Rules of the Board. The Rules of the Board may be amended by adding, deleting or revising any rule at any meeting of the Board, when proper notice is given, by two-thirds majority of the full membership of the Board.

15.0.4 Suspension of Rules of the Board. Any of the Rules of the Board may be suspended by an affirmative vote of not less than three-fourths of the full membership of the Board, for a specific purpose, and for a specific and delineated time period.

15.0.5 Life Cycle Provisions for Governing and Directional Documents

a) Articles of Incorporation and Bylaws. These documents are requirements of governing law and regulation, and no specific PMI provisions for their life cycle are established.

d) Rules of the Board. The Rules of the Board is a perpetual document. The Board, as part of its job description, has the on-going responsibility of keeping these documents current and relevant.

e) Policies. Policies are perpetual, unless otherwise revised or eliminated by majority approval of the Board.

f) Motions and Resolutions. Motions and resolutions approved by the Board that result in a change to a governing document are deemed perpetual unless otherwise changed in a subsequent Board-approved motion. All other motions approving an action are effective for 12 months from the date of approval, unless otherwise specified.

g) Strategic Plan. The Strategic Plan is a perpetual document. The Board has the ongoing responsibility of keeping this document current and relevant.

15.0.6 Interpretation of Governing Documents

a) Interpretation of Bylaws. Upon request, the Secretary-Treasurer will interpret the Bylaws in writing. This interpretation is reviewed by General Counsel, and the Secretary-Treasurer shall address all points and concerns identified by General Counsel in written format. Such interpretation is then subject to the authority of the Board to overrule the interpretation by a majority vote of the full membership of the Board.

b) Interpretation of the Rules of the Board and of Motions and Resolutions. The Secretary-Treasurer shall interpret the Rules of the Board and Motions and Resolutions subject to the
authority of the Board to overrule this interpretation by majority vote of the full membership of the Board.

15.0.7 Editorial Changes.
   a) Editing the Governing Documents. From time to time and without further action of the Board of Directors, the Secretary-Treasurer may cause editing for accuracy and clarity, rearranging, re-titling or renumbering of the governing documents (including deletion of repetitive, inconsistent and obsolete sections) as necessary for proper reference. Any proposed change to these documents that is not purely editorial or clerical in nature is brought to the Board for a vote as an amendment. In all cases, editing shall meet the requirements of legal review.
   b) Publication of Editorial Changes. The Secretary-Treasurer shall cause distribution of all changes to the Board and publication in accordance with the Publication of Amendments paragraph.

15.0.8 Annual Review
   a) Currency and Relevance Review. The Secretary-Treasurer in collaboration with the PMI Associate Corporate Secretary and General Counsel shall conduct an annual review of the Rules of the Board to ensure they are current and relevant. Any issues that may require changes shall be brought to the Board for resolution.

15.0.9 Publication of Amendments
   a) Publication of Adopted Amendments. All adopted amendments to the governing documents shall be distributed to the Board and published to the members on www.pmi.org or in PMI print publications.
   b) Posting of Current Governing Documents. In January of each year, all currently effective elements of all governing documents shall be fully and completely assembled, collated, and made available to the Board of Directors and shall be placed on www.pmi.org.

15.0.10 Parliamentary Procedure.
   a) Applicable Rules. Unless otherwise suspended by a two-thirds vote of the full membership of the Board, or contravened by the Bylaws or the Rules of the Board, the rules contained in Robert's Rules of Order, Newly Revised, shall govern the procedures in meetings of the Board and membership.
      1) Superseding Robert’s Rules. The Board by a vote of two-thirds of its full membership, may, from time to time, adopt or amend rules of procedure applicable to meetings of the Board and membership, to reflect procedures at variance with those contained in Robert’s Rules of Order, Newly Revised.
January 2017 Revision Summary:
6.5.7 Eliminated restriction for Board members to serve on more than one committee/task team
9.0.5 c) Added Additional CEO expectations
9.0.7 Added Appendix summarizing CEO Delegation of Authority
10.0.1 Significant rewrite regarding Delegation of Authority re Component Chartering
10.0.2 Deleted
10.0.3 Deleted
11.0.1 Significant rewrite regarding Allied Society and Cooperative Relationships

October 2017 Revision Summary:
6.0.3 Delete “in addition to every candidate possessing all of the above characteristics
6.8.2 PMIEF elected board members may not seek a second term as a PMI board appointed member
8.0.4 Level 1 Reporting to the Board Policy
12.1.1 Volunteer exception to participate in other PMI activity is granted by the Chair

February 2018 Revision Summary:
13.0 Minor changes to Rule 13 presented with track marks
## PMI Governance Delegation of Authority Summary Table

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<tr>
<th>Bylaws Article</th>
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<tr>
<td>I.</td>
<td>Name and Principal Office</td>
<td>Establish the name of the corporation and its principal office.</td>
<td>A change to the parent corporation name or relocation of its principal office is reserved to the Board.</td>
<td>The Board reserves all other authority for Article I, except as delegated herein.</td>
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<td>The Board reserves all other authority for Article I, except as delegated herein.</td>
<td>The location of other offices may be designated by the CEO. RoB 9.0.5 (c) (1)</td>
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<td>II.</td>
<td>Purposes and Limitations of the Institute</td>
<td>Establish the purpose of the Institute in alignment with its Articles of Incorporation. Establish general limitations of purpose and activities. Assign authority to the Board for necessary policies and procedures.</td>
<td>The Board reserves the authority for Institute policies as follows: Level 1: Board approves and monitors; Level 2: President and CEO approves and the Board monitors.</td>
<td>The CEO has the authority as follows: Level 2: President and CEO approves and the Board monitors; Level 3: President and CEO approves and monitors. (RoB 15.0.1) Refer to Article IX for further delegations in relation to policies.</td>
</tr>
<tr>
<td>III.</td>
<td>Membership in the Institute</td>
<td>Establishes 1) general provisions for membership, 2) classes and categories of members, 3) provision for resignation, suspension, expulsion, termination or transfer of membership and 4) member ethical standards and procedures.</td>
<td>The Board reserves all authority for Article III, except as delegated herein.</td>
<td>The Board delegates to the Ethics Review Committee (ERC) the authority to impose the following disciplinary or remedial actions: 1. The denial and rejection of any PMI membership and/or certification application; 2. Private reprimand and censure, including any appropriate conditions or directives; 3. Public reprimand and censure, including any appropriate conditions or directives; 4. Membership, certification, and/or volunteer probation for</td>
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<td>any period up to three (3) years, including any appropriate restrictions or conditions concerning membership, certification, and/or volunteer rights and any other conditions or directives;</td>
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<td>5. Suspension of membership, certification, and/or volunteer status for a specified period of time, including any appropriate conditions or directives;</td>
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<td>6. Termination of membership (PMI Ethics Case Procedures D8)</td>
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<td>IV.</td>
<td>Membership, Dues, Fees and Assessments</td>
<td>Approve membership dues, fees, and other assessments;</td>
<td>The Board reserves the authority for changes in membership dues, fees and assessments. The Board reserves all other authority for Article IV, except as delegated herein.</td>
<td>The Board delegates the annual review of membership dues, fees and other assessments for all categories of membership to the CEO (RoB 4.0.1).</td>
</tr>
<tr>
<td>V.</td>
<td>Membership Meetings</td>
<td>Establishes the provisions for the Institute’s Annual Membership Meeting.</td>
<td>The Board reserves all authority for Article V except as noted here.</td>
<td>Determination of the means of voting is delegated to the CEO. (Bylaws Art. V. F. 3)</td>
</tr>
<tr>
<td>VI.</td>
<td>PMI Board of Directors</td>
<td>Establishes the authority of the PMI Board of Directors as; uphold and execute the organization’s purposes; appoint and remunerate agents and employees; disburse funds of the Institute; purchase, lease, sell, transfer and otherwise convey property; and establish and adopt such policies, rules, and regulations for the conduct of its business, responsibility, and authority as</td>
<td>The Strategic Plan is approved and amended by the Board (RoB 15.0.2) The Board reserves all other authority for Article VI, except as delegated herein.</td>
<td>The Board delegates the provision of analysis and strategic input to the Board and implementation of strategy per the Level 1 Strategic Framework Policy (RoB 9.0.5) The CEO is delegated the administration of the Board elections. (Article VI, Section C. 5)</td>
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<td>will be deemed advisable, insofar as any exercise or delegation of authority is consistent with, and does not conflict with, the Articles of Incorporation or Bylaws of the Institute (in their present form or as amended), or applicable law.</td>
<td>The CEO is delegated the responsibility to establish and maintain a communication process, to ensure an open line of communication between stakeholders, the Board and the President and CEO (RoB 6.1.1)</td>
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<td>Additional authorities include:</td>
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<td>• Establish and maintain boards and similar bodies that will serve as independent boards within the Institute;</td>
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<td>• Strategic planning and establishment of policy with respect to the activities of the Institute;</td>
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<td>• Oversee the management, control and supervision of the business</td>
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<td>VII.</td>
<td>Officers of the Institute</td>
<td>Establishes the provisions for:</td>
<td>The Board reserves all authority for Article VII.</td>
<td>None</td>
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<td>• the officers of the Board;</td>
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<td>• the qualifications and authority of the officers;</td>
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<td>• the election, terms, vacancies and removal of officers; and</td>
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<td>• the specific qualifications and duties of the Chair, Vice-Chair and Secretary-Treasurer</td>
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<td>VIII.</td>
<td>Meetings of the PMI Board of Directors</td>
<td>Establishes the provisions for:</td>
<td>The Board reserves all authority for Article VIII, except as delegated herein.</td>
<td>The CEO is responsible for the approval of meeting sites and means (RoB 8.0.3)</td>
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<td>• Annual and regular meetings; Special Meetings; Determination of a quorum; Board actions (votes); Special actions; and Proxies</td>
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| IX.            | President and Chief Executive Officer    | Appoint and engage a qualified individual to the position of President and Chief Executive Officer who shall serve as the Chief Staff Officer.                                                                                                                                                                                                 | The Board retains the authority to appoint and engage the CEO.                                                                                                                                                                                                                         | The Board delegates the CEO responsibility and accountability for the supervision, control, and management of the Institute in its administrative, business, financial, and other affairs. Article IX Section A:  
   A. The Board delegates to the CEO the authority to (Article IX Section B):  
      1. implement all policies of the Institute in a lawful manner and in accordance with generally accepted business and financial principles and ethical standards and the responsibility to report to the PMI Board of Directors concerning these affairs  
      2. hire and dismiss employees and other personnel of the Institute including consultants, contractors and the like; establish all terms and duties of employment and hiring  
      3. develop PMI annual operating programs, products, services, and budgets (also refer to Article XIII)  
      4. legally bind the Institute and sign on its behalf contracts, checks, drafts, notes, mortgages, leases (subject to limitations in Article XIII) and other legal instruments |
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<td>documents, without limitation by reason of specification. (also refer to Article XIII)</td>
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<td>X.</td>
<td>PMI Subsidiary Components and Other Groups</td>
<td>Establishes the authority of the Board to develop and approve policies and criteria which control and regulate the establishment and operation of chartered subsidiary Components, and other groups.</td>
<td>The Board reserves authority for Article X, except as delegated herein.</td>
<td>The Board delegates to the CEO the authority to develop and approve policies, affiliation agreements and criteria which control and regulate the establishment and operation of chartered subsidiary Components, and other groups. (RoB 10)</td>
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<td>XI.</td>
<td>Allied and Cooperative Relationships</td>
<td>Establishes the authority of the Board to develop and approve policies and procedures to govern the establishment of cooperative relationships. Establishes the authority of the CEO for the development and implementation of all general Allied or Cooperative Agreements.</td>
<td>The Board reserves the authority to approve relationships with allied societies. The Board reserves all other authority for Article XI, except as delegated herein.</td>
<td>The CEO is delegated the authority to develop and approve policies and procedures to govern the establishment of cooperative relationships. The CEO is delegated the authority for the development and implementation of Allied and Cooperative Agreements Bylaws Art. XI, RoB 11.0.1) The CEO is delegated the authority to maintain a Level 2 Policy to administer the formation and support of Allied Societies with PMI and report annually to the Board on the status of each Allied Society (RoB 11.0.2)</td>
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<tr>
<td>XII.</td>
<td>Governance</td>
<td>Establishes the authority of the Board to: - Section A: Authorization to Act on Behalf of the Institute</td>
<td>The Board reserves all authority for Article XII.</td>
<td>None</td>
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<td>• Section B: Fiscal Year</td>
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<td>• Section C: Parliamentary Procedures</td>
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<td>• Section D: U.S. Internal Revenue Code</td>
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<td>XIII. Finance and Budget</td>
<td>Establishes the authority of the Board to:</td>
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<td>• Section A: Annually approve a budget.</td>
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<td>• Section C: Appoint an external auditor to conduct an annual audit.</td>
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<td>• Section E: Authorize other agents of the Institute to enter into any contract, or execute and deliver any instrument, in the name and on behalf of the Institute.</td>
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<td>• Section F: Take, receive, hold, sell, lease, and otherwise convey real and personal property. By vote of 2/3rds of the Board, purchase, sell, mortgage, lease away, or otherwise dispose of its real property.</td>
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<td>• Section: G: Authorize officers to issue checks, drafts, or other orders for the payment of money.</td>
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<td>Selection and termination of the external auditor shall be the sole responsibility of the Board and performed in accordance with the Board approved Level 1 policy, Engagement of External Auditor Policy. (Article XIII Section C, RoB 13.4)</td>
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<td>The Board reserves the authority over borrowing of funds. All loans and other debt instruments are subject to Board approval. (Bylaw Art. XIII.D)</td>
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<td>The Board reserves the authority to acquire, dispose or lease away (e.g., capital lease) real property, regardless of asset value. (Bylaw Art. XIII.F)</td>
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<td>The Board reserves the authority to approve changes to the annual budget (OPB). (RoB 13.0.1)</td>
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<td>The Board delegates to the CEO the authority to develop annual operating programs, products, services and budgets. (Article IX)</td>
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<td>The Board delegates to the CEO authority to execute operating leases. (Bylaw Art. XIII.F)</td>
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<td>The Board delegates to the CEO authority to issue checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness in the name of the Institute (Article XIII Section G, also refer to Article IX and RoB 13.3)</td>
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<td>The Board reserves the authority to approve Investment Policies. (RoB 13.2)</td>
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<td>The Board reserves the authority to approve the use of surplus reserve funds. (RoB 13.1.1)</td>
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<td>The Board reserves all other authority for Article XIII, except as delegated herein.</td>
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<tr>
<td>XIV.</td>
<td>Indemnification</td>
<td>Not Applicable</td>
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<tr>
<td>XV.</td>
<td>Amendments to Bylaws</td>
<td>Establishes the authority of the membership to approve changes to specific Bylaws.</td>
<td></td>
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<tr>
<td>XVI.</td>
<td>Dissolution</td>
<td>Upon dissolution, establishes the authority of the Board to dispose of assets remaining after satisfaction of all liabilities.</td>
<td></td>
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</tr>
<tr>
<td>XVII.</td>
<td>Adoption of Bylaws</td>
<td>Not Applicable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>Delineation of authority</td>
<td>In support of the authority for management, control and supervision of the business, these authorities are further specified.</td>
<td><strong>Legal Matters:</strong> For legal entities the Board reserves:</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• the authority to establish or dissolve legal entities and each is subject to Board approval;</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• the authority to approve the acquisition of legal entities. The acquisition of legal entities is subject to Board approval.</td>
<td></td>
</tr>
<tr>
<td>Bylaws Article</td>
<td>Name</td>
<td>Authority</td>
<td>Reserved Board Authority</td>
<td>Delegated Authority</td>
</tr>
<tr>
<td>----------------</td>
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<td></td>
<td></td>
<td></td>
<td>Settling Claims/Litigation or Threatened Litigation Claims:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• For settlements of any litigation or threatened litigation claims, the Board retains approval for matters in excess of $2,500,000. (RoB 9.0.5(c) (12).</td>
<td></td>
</tr>
</tbody>
</table>