



Bylaws of the Project Management Institute, Inc.

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BYLAWS OF THE

PROJECT MANAGEMENT INSTITUTE, INC.

Article I: Name and Principal Office

Section A. Name/Non-Profit Incorporation.

The name of the corporation shall be the Project Management Institute, Inc., which may be abbreviated as PMI® or the Institute. The Project Management Institute, Inc., is incorporated as a non-profit, tax-exempt corporation organized under the laws of the United States of America and the Commonwealth of Pennsylvania, as a professional association for the purposes set forth herein and in the Articles of Incorporation.

Section B. Principal Office; Other Offices.

The principal office of PMI shall be located in the Commonwealth of Pennsylvania, unless otherwise designated by the PMI Board of Directors. The Institute may have such other offices at such suitable places, within or outside the Commonwealth of Pennsylvania, as may be designated by the PMI Board of Directors.

Article II: Purpose and Limitations of the Institute

Section A. Purposes of the Institute.

1. General Purposes. The Institute has been founded as an autonomous, non-profit, tax-exempt, membership association dedicated to advancing the state-of-the-art in effective and appropriate application of the practice and science of project management.
2. Specific Purposes. Consistent with the PMI Articles of Incorporation and these Bylaws, the purposes of the Institute shall include the following:
 - a. To foster professionalism in the management of projects.
 - b. To contribute to the quality and scope of project management.
 - c. To stimulate appropriate global application of project management for the benefit of the general public.

- d. To provide a recognized forum for the free exchange of ideas, applications, and solutions to project management issues among Institute members, and others interested and involved in project management.
- e. To identify and promote the fundamentals of project management and advance the body of knowledge for managing projects successfully.
- f. To collaborate with universities, other educational institutions, and corporate entities to encourage appropriate education and career development at all levels of project management activities.
- g. To provide a guiding influence in academic and industrial research in the field of project management.
- h. To seek and foster international cooperation and contacts with other organizations, both public and private, which relate to project management and to collaborate in matters of common interest and benefit.
- i. To identify, develop, foster, and maintain professional, practice, ethical, credentialing and accreditation standards and principles.

Section B. Limitations.

1. General Limitations. The purposes and activities of the Institute shall be subject to limitations set forth in these Bylaws, and conducted in compliance with Section 501(c)(6) of the U.S. Internal Revenue Code. In addition, the purposes and activities of the Institute shall be restricted as follows:
 - a. No part of the net earnings of the Institute shall inure to the benefit of, or be distributed to, the directors or officers, or other private persons, except that the Institute shall be authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of, and consistent with, the purposes set forth in these Bylaws and applicable PMI policies.
 - b. The Institute shall not engage in any activities relating to election campaigns for candidates seeking political office, nor shall any agent, representative, officer, director, or employee engage in such activities on behalf of the Institute.
2. PMI Board of Directors Authority. The PMI Board of Directors shall have the authority, responsibility and accountability to develop, establish, approve, and enforce policies and procedures necessary to implement the requirements of this Article.

Article III: Membership in the Institute

Section A. General Membership Provisions.

Membership in PMI shall be open to any person interested in the declared purposes of the Institute, consistent with the requirements and member qualifications of these Bylaws and applicable PMI policies, established by the PMI Board of Directors. Qualified persons seeking membership will be accepted as a member of the Institute upon the submission, receipt, acceptance, and processing of the required application materials, dues, fees, and assessments.

Member rights are defined as the opportunity to vote on Institute matters and to hold elected or appointed office, as defined in these Bylaws. Privileges are defined as those tangible and intangible benefits, products and services offered with membership in the Institute. The PMI Board of Directors shall establish the privileges associated with membership.

Section B. Classes and Categories of Members.

The Institute shall establish and maintain the following classes and qualifications of membership, each class with the rights hereinafter provided:

1. Regular Member. Any person who is interested in, or engaged in, the practice, teaching or other application of project management, including research concerning project management, may qualify as a Regular Member of the Institute. Regular Members shall have voting rights and may hold any elected or appointed office in the Institute.
2. Retiree Member. Any person who has been a PMI Member in good standing for five (5) consecutive years, and who has retired from active employment, qualifies for PMI Retiree membership. Retiree Members shall have all rights of the Regular Member class.
3. Student Member. Any person currently enrolled as a full-time student in an undergraduate or graduate degree program from an accredited or globally equivalent college or university may qualify for PMI Student membership. Student Members shall have voting rights. Student Members shall not be entitled to hold any elected office in the Institute, except that Student Members may hold office and vote within a PMI Chapter, as may be granted in the Chapter Bylaws.
4. Associate Member. Any person who joins the Institute to access limited privileges pursuant to policies duly adopted by the PMI Board of Directors. Associate Members shall not be entitled to exercise any voting rights, and shall not be a candidate for, nor hold any elected or appointed office in the Institute.

Section C. Membership Resignation, Suspension, Expulsion, Termination or Transfer.

1. Resignation. Any member may submit a written resignation to the Corporate Secretary of the Institute, or other duly designated representative. Such a resignation shall become effective upon receipt, consistent with applicable policies, except that a resignation may not prevent the Institute from completing any ethics, disciplinary, or similar proceeding.
2. Suspension/Expulsion. Pursuant to a fair process and under procedures duly adopted by the PMI Board of Directors, any member may be suspended or expelled from membership by a three-fourths (3/4ths) affirmative vote of the PMI Board of Directors.
3. Termination. Following notice by invoice, and consistent with these Bylaws and applicable policies, the Institute may terminate the membership of any member who has not satisfied membership requirements related to the payment of all applicable dues, fees, and assessments.
4. Transfer. Membership in the Institute is not transferable to any other person, regardless of category or classification.

Section D. Member Ethical Standards and Procedures.

The PMI Board of Directors, or the voting membership of the Institute, may adopt and publish ethical standards which apply to all classes of membership. In the event ethical standards are adopted, the PMI Member Ethical Standards shall govern the activities and professional behavior of all PMI members and shall prohibit, among others, violations of these Bylaws and policies of the Institute.

Article IV: Membership Dues, Fees, and Assessments

Section A. Institute Dues, Fees, and Assessments.

1. General. PMI shall be entitled to assess yearly membership dues, fees, and other assessments from each member of the Institute, for all categories of membership. All such dues, fees, and other assessments will be due and payable in advance of each year of membership in such amounts as are approved by the PMI Board of Directors.
2. Non-Payment of Dues. Any member who has not paid all applicable dues, fees, and other assessments shall be in default and shall not be entitled to exercise any rights and privileges of membership until such time as all such current yearly dues, fees, and assessments are paid in full. Members who pay all dues, fees and assessments in arrears within one hundred (100) days of notice of the default shall not lose any membership seniority or similar status. Non-payment

of all dues, fees and assessments in arrears will be deemed a resignation of PMI membership status.

3. PMI Board Authority/Dues, Fees, and Assessment Reduction and Waiver. The PMI Board of Directors shall have the authority to develop, establish, and enforce policies to determine, amend, modify, and, in special circumstances, reduce or waive fees, dues, and assessments for special and particular reasons, including, but not limited to, financial hardship and other appropriate considerations.

Section B. Component Dues, Fees, and Assessments.

1. General. Unless otherwise authorized by the PMI Board of Directors, only PMI Members are eligible for membership in PMI Components (PMI Components are described in Article X.) The governing body of each PMI Component, shall be permitted to establish Component dues and fees, pursuant to duly adopted component policies and procedures, which are subject to approval of the PMI Board of Directors.
2. Billing and Distribution. Unless otherwise authorized by the PMI Board of Directors, all Component dues shall be billed and collected by PMI. Following collection, such dues shall be distributed to the appropriate Component, subject to applicable PMI policies and procedures.

Article V: Membership Meetings

Section A. Annual Membership Meeting.

The Institute shall conduct an Annual Membership Meeting each year and on a date to be established by the PMI Board of Directors. The PMI Board of Directors shall announce such date and location for the subsequent Annual Membership Meeting at each current Annual Membership Meeting. The PMI Board of Directors may also call other membership meetings, as deemed necessary.

Section B. Special Membership Meetings.

Special meetings of the members of the Institute may be called by the PMI Board of Directors or by 10% or more of the eligible voting members. Upon the written request of the PMI Board of Directors, or the members who have called the meeting, the Corporate Secretary shall fix the time of the meeting at any appropriate location and place, and provide the appropriate notice to the members.

Section C. Membership Meetings - Notice

The Institute shall provide to all PMI members in good standing a notice of each Annual Membership Meeting and other membership meetings. Such notice shall be provided at least sixty (60) days in advance of the Annual Membership Meeting or other membership meetings, and shall state: the time and place of the meeting; and a description of the business to be transacted. No business other than that specified in the notice shall be transacted at a membership meeting.

Section D. Member Questions and Resolutions.

The PMI Board of Directors shall give members of the Institute reasonable opportunities to express their views on questions, and to present resolutions in an appropriate manner. Upon ninety (90) days' notice and a petition signed by five percent (5%) or more of the voting membership to the Corporate Secretary, a question and resolution shall be submitted to the quorum of voting members present at the next scheduled Annual Membership Meeting of the Institute. Except where a larger vote is required by law or by these Bylaws, a question affirmed by a majority of the eligible members voting and present shall be binding upon the PMI Board of Directors unless determined to be contrary to applicable law or regulations.

Section E. Quorum Requirements.

A quorum of the eligible voting membership of the Institute shall exist at any Annual Membership Meeting for the purpose of voting on all questions, resolutions, and other actions, so long as the Annual Membership Meeting has been properly announced and questions have been submitted consistent with the requirements of these Bylaws and applicable law.

Section F. Voting Procedures and Balloting.

1. Voting Procedures. All votes of the Institute membership taken at the Annual Membership Meeting will be conducted by appropriate ballot. Each voting member is entitled to one vote per question or resolution only. Unless otherwise required by the Articles of Incorporation, these Bylaws, or applicable law, all actions of the membership shall be carried by a majority vote. Except with respect to PMI ballots, voting by proxy shall not be permitted.
2. Balloting. With respect to any question or resolution which is submitted to voting Institute members, by law or these Bylaws, for a vote without attendance at a meeting, the Institute shall transmit a ballot to the last known postal, telephonic, electronic or other appropriate destination address of each voting member provided to the Institute in accordance with

paragraph 3 below, which shall be deemed to be good and sufficient notice of such vote and meeting. Each completed ballot returned to the Institute shall be deemed a limited proxy authorizing and directing that the vote is to be entered in the manner indicated on the ballot only. The sale or transfer of a vote is strictly prohibited. All questions, resolutions, and other actions submitted for balloting shall be carried by a majority vote of the members voting, unless otherwise required by these Bylaws or applicable law.

3. Voting Means. The means employed for member voting may be by any means permitted by law, including but not limited to mail, telephonic and/or electronic processes, as the President and Chief Executive Officer of the Institute may determine is reasonable and appropriate to ensure the integrity of the voting process.

Article VI: PMI Board of Directors

Section A. PMI Board of Directors.

1. General. The Institute shall be governed by an elected PMI Board of Directors. It is the duty of the PMI Board of Directors to carry out the purposes and objectives of the non-profit corporation.
2. Authority. The PMI Board of Directors shall be vested with the powers possessed by the non-profit corporation itself, including the powers, accountability and authority to: 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 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.

The PMI Board of Directors may establish and maintain boards and similar bodies that will serve as independent boards within the Institute. Any such board may be granted certain autonomous authority and responsibility by the PMI Board of Directors through formal charter, to develop Bylaws, policies, programs and procedures concerning the operation of the autonomous board. All such boards shall operate consistent with these Bylaws and subject to the limitations of their formal charter.

3. Functions. Accountable to the PMI membership, the PMI Board of Directors shall be responsible and accountable for strategic planning and the establishment of policy with respect to activities of the Institute. The PMI Board of Directors shall oversee the management, control and supervision of the business, as well as other lawful activities and affairs deemed necessary to further the objectives of the Institute, including an annual report to PMI members.

4. PMI Board Composition. The PMI Board of Directors shall be comprised of five (5) to eighteen (18), at large, voting PMI Board Directors. One (1) voting member of the PMI Board Directors shall be elected and serve as Chair of the Institute consistent with the requirements of Article VII, below.
5. PMI Board Limitations/Conduct. The PMI Board of Directors shall be granted the authority to establish policies and procedures specifying PMI Board of Directors limitations and conduct including, but not limited to, the following:
 - a. Compensation for Services. Directors (including Officers) shall not receive any compensation, or other tangible or financial benefit for service on the PMI Board of Directors. However, the PMI Board of Directors may authorize payment by the Institute of actual, reasonable expenses incurred by Directors regarding attendance at PMI Board of Directors meetings and other approved activities.
 - b. Compensation from Institute Activities. Directors (including Officers) shall not receive any compensation, or other tangible or financial benefit from any element or activity of, or related to, the Institute, except as reimbursement for actual, reasonable expenses directly associated with such Institute element or activity, when authorized by the PMI Board of Directors.
 - c. Corporation and Director Independence/Loyalty. All PMI Board Directors (including Officers) shall act in an independent manner consistent with their obligations to the Institute and applicable law, regardless of any other affiliations, membership, or positions.
 - d. Nothing in this section is intended to limit the reasonable compensation received by an Appointed Officer who is an employee of the Institute.

Section B. Directors of the Institute.

1. Director Qualifications. All Directors of the Institute shall be eligible members in good standing for the past two (2) consecutive years. The PMI Board of Directors may, in its discretion, determine additional qualifications for Directors consistent with these Bylaws.
2. Length of Terms. Each Director shall be elected by the voting membership of the Institute and shall serve a term of three (3) years. Directors shall serve no more than two (2) consecutive terms and no more than a total of nine (9) years of service as a voting Director on the Board.
3. Nomination/Election. Candidates for election will be nominated by the Nominating Committee, as set forth in Section C, below. The terms of the Directors shall be staggered to ensure that approximately one-third of the Director terms of office expire each year. All PMI Board Directors

shall be elected by secret ballot by the voting membership of the Institute, the results of which shall be announced no later than the Annual Membership Meeting.

4. Resignations. A Director may resign at any time by submitting a written resignation to the Chair of the Institute. Any resignation will be effective as of the time specified in the written resignation, or, if no date is specified, as of the acceptance date of the written resignation as determined by the Chair.
5. Removal. A Director, who is no longer a member in good standing of the Institute, shall be removed and replaced by the PMI Board of Directors. A Director may also be removed by operation of applicable law, or by a two-thirds (2/3rds) affirmative vote of the PMI Board of Directors for cause at any regular or special meeting at which a quorum of the PMI Board is present; and in accordance with PMI Board of Directors adopted policies and procedures.
6. Vacancies. In the case of a vacancy, resignation, or removal of a PMI Board Director, the remaining Directors shall appoint another qualified individual to fill the vacancy for the unexpired portion of the term. The length of terms specified in Article VI, Section B, Paragraph 2 will apply to appointments to fill vacancies. The service for the duration of the unexpired term, under this section, will count in the calculation for term limits under Section B, 2 above.

Section C. Nominating Committee.

1. Establishment and Purpose. A Nominating Committee shall be established to oversee and supervise the nominating process for Directors of the Institute, and shall ensure appropriate procedures are in place for the selection and presentation of qualified candidates to the membership.
2. Appointments. The PMI Board of Directors shall appoint a Nominating Committee Chair, who shall not be a current Director of the Institute, and also appoint three (3) to five (5) members to serve on the Nominating Committee.
3. Authority and Duties. Among other authority and duties, the Nominating Committee shall conduct the following activities under the leadership of the Committee Chair: the timely review and study of the credentials of qualified Director Nominees; the timely presentation of qualified, individual nominees and slates of candidates for open Director positions. The Nominating Committee shall circulate to all members who are entitled to vote, the names of qualified and appropriate nominees and slates at least sixty (60) days prior to the Annual Membership Meeting. The qualified candidates receiving the largest number of qualified member votes shall be elected to each open Director position. Where a tie exists between two or more nominees, the PMI Board of Directors shall elect a winner. The results of each election shall be announced at the Annual Membership Meeting.

4. Geographic Diversity Goals. The Nominating Committee shall make all reasonable and appropriate efforts to assure that the individual Director candidates presented to the membership constitute a geographically diverse group, which will represent the interests of Institute members throughout the world.
5. Balloting. All Directors elections shall be administered by the President and Chief Executive Officer and shall be conducted by ballot, to the eligible voting members of the Institute by any method permitted by applicable law, including but not limited to mail, telephonic or electronic processes, as the President and Chief Executive Officer of the Institute may determine is reasonable and appropriate to ensure the integrity of the voting process.
6. Disputes. Any disputes concerning the nomination or election process shall be determined under the Institute's Complaint, Dispute, and Grievance Resolution Policy and Procedures, as it may be in effect from time to time.

Section D. Committees.

1. The PMI Board of Directors may establish and maintain committees, subject to such limitations, policies and rules as the PMI Board of Directors may adopt, to assist it in the performance of its duties.
2. Nothing in this Article shall affect the provisions of Article VI. C. of these Bylaws relating to the Nominating Committee.

Article VII: Officers of the Institute

Section A. Elected Officers of the Institute.

1. Officer Titles. The Institute shall have the following Officers: a Chair; a President and Chief Executive; a Corporate Secretary; a Treasurer; and such other Officers as the Board may from time to time establish in the Rules of the Board. Officers may be elected by the Board pursuant to these Bylaws or they may be appointed to an Officer role due to their position in the Institute because of their job function as an employee of the Institute, as further stated in these Bylaws. The Chair is elected by the Board and is deemed an Elected Officer. The President and Chief Executive Officer, the Corporate Secretary and the Treasurer are deemed Appointed Officers.
2. Officer Qualifications and Authority. Elected Officer of the Institute shall be elected from among all Directors of the Board, whose term will be active in the period for which an Officer is being elected. Officers of the Institute shall be bound by, be responsible and accountable to the PMI Board of Directors for satisfying resolutions and directives of the PMI Board of Directors, and

shall have the authority and accountability conferred and granted by these Bylaws. Officers shall have such other authority, accountability and duties as may be conferred and granted by the PMI Board of Directors.

3. Election/Terms of Office. The Elected Officers of the Institute for the following year shall be elected at the last scheduled meeting of the current PMI Board of Directors and shall take office the first day of the new year following the meeting at which they are elected. The term of office for an Officer shall be one (1) year, or until a successor assumes office. Unless otherwise and specifically authorized by these Bylaws, no Elected Officer shall serve more than three (3) consecutive terms nor more than three (3) years, in the same office. The term for Appointed Officers of the Institute is dependent on their maintaining their job function as an employee of the Institute.
4. Vacancies. In the event that an Elected Officer is unable to complete an elected term for any reason, the PMI Board of Directors shall elect a successor to complete the unexpired portion of an Elected Officer's term at the next special or regularly scheduled PMI Board of Directors meeting pursuant to these Bylaws.
5. Removal. Any Elected Officer may be removed from Office by the PMI Board of Directors for cause whenever in its judgment the best interests of the Institute will be served thereby. An Officer of the Institute may be removed by a two-thirds (2/3rds) vote of the Directors present at any regular or special meeting of the PMI Board of Directors at which a quorum is present; and in accordance with PMI Board of Directors adopted policies and procedures.

Section B. Chair Qualifications and Duties.

1. Qualifications. The Chair of the Institute shall be elected by the incoming PMI Board of Directors from among the elected PMI Board Directors whose terms will be active in the period for which Officers are being elected.
2. General Duties. The Chair of the Institute shall serve as the Chair of the PMI Board of Directors. The Chair shall have the authority, powers, and responsibilities commonly incident to and vested in, the corporate offices of Chief Elected Officer and Chair of the PMI Board of Directors, consistent with these Bylaws, including, but not limited to: the role of presiding Officer at each membership meeting of the Institute; the role of presiding Officer at all PMI Board of Directors meetings; the direction of other Officers; the responsibility to satisfy directives of the PMI Board of Directors; the designation and appointment of Institute representatives and project managers, subject to PMI Board of Directors approval; the preparation and distribution of all PMI Board of Directors meeting agendas; and the general knowledge and responsibility for supervision of the business of the Institute.

3. Specific Duties. In addition to any other duties and authority, the Chair shall also perform the following duties as the Chair: appoint such committee chairs and members, as may be required, consistent with and subject to any limitations or different appointment process which the PMI Board of Directors may otherwise determine to be appropriate; and perform other duties as the PMI Board of Directors may delegate consistent with these Bylaws.

Section C. Appointed Officers of the Institute.

1. Appointed Officers. Pursuant to Pennsylvania Nonprofit Corporation Law of 1988 § 5732 every nonprofit corporation shall have a president, a secretary, and a treasurer, or persons who shall act as such regardless of the name or title by which they may be designated, elected or appointed and may have such other officers and assistant officers as it may authorize from time to time. The office of Secretary shall be the General Counsel of the Institute and the Treasurer shall be the Chief Financial Officer, both of which are appointed by the President and CEO.
2. Corporate Secretary.
 - a. General Duties. Except as may be specifically delegated to a PMI Board Committee or other individual as designated by a PMI Board of Directors approved Charter or Rule of the Board, the Secretary shall have and perform all duties commonly incident to, and vested in, the corporate offices of secretary, as well as all duties delegated and designated by the PMI Board of Directors or the President and CEO.
 - b. Specific Duties. Except as may be specifically delegated to a PMI Board Committee or other individual by a PMI Board of Directors approved Charter or Rule of the Board, the duties and authority of the Secretary shall include, but not be limited to: accountability for the accuracy of board documents, such as true minutes of all such meetings and all notices given in accordance with these Bylaws.
3. Treasurer.
 - a. General Duties. Except as may be specifically delegated to a PMI Board Committee or other individual as designated by a PMI Board of Directors approved Charter or Rule of the Board, the Treasurer shall have and perform all duties commonly incident to, and vested in, the corporate offices of treasurer, as well as all duties delegated and designated by the PMI Board of Directors or the President and CEO.
 - b. Specific Duties. Except as may be specifically delegated to a PMI Board Committee or other individual by a PMI Board of Directors approved Charter or Rule of the Board, the duties and authority of the Treasurer shall include, but not be limited to management and execution of all fiscal and financial investment policies of the Institute.

Article VIII: Meetings of the PMI Board of Directors

Section A. Annual and Regular Meetings.

The Annual Meeting of the PMI Board of Directors (Annual Board Meeting) shall be held to coincide with the PMI Annual Membership Meeting, or at a time and place designated by a majority of the PMI Board of Directors, for the transaction of business that comes before the PMI Board of Directors. There shall be at least one (1) other regular meeting of the PMI Board of Directors each year at a place designated by a majority of the PMI Board of Directors for the transaction of such business as may come before the PMI Board of Directors. Notice of regular meetings of the PMI Board of Directors may be provided in any manner determined by the PMI Board of Directors. Regular meetings may be held via telephone conference or similar form of telecommunications which permits all Director participants to communicate and effectively participate during the meeting.

Section B. Special Meetings.

Special meetings may be called by a majority of the PMI Board of Directors or the Chair by filing a written request for such a meeting with the Corporate Secretary stating the purpose, place, date, and hour therefore, due written notice having been given to each Director at least five (5) days prior to the date of the meeting, or fifteen (15) days' notice where an in-person meeting is called. Special meetings may be held via telephone conference, or similar form of telecommunications, which permits all Director participants to communicate and effectively participate during the meeting.

Section C. Quorum.

A majority of the Directors shall constitute a quorum of any meeting of the PMI Board of Directors. Such a majority shall be capable of transacting any business authorized by, or as may be provided in, these Bylaws and the Articles of Incorporation. Except as otherwise provided in these Bylaws or by law, the act of a majority of Directors present at a meeting at which a quorum is present at the time shall be the act of the PMI Board of Directors.

Section D. PMI Board Actions.

Every decision of the PMI Board of Directors shall be by a majority vote unless otherwise required by law, the policies of the PMI Board of Directors, or these Bylaws. Each Director shall be entitled to one vote on any matter coming before the PMI Board of Directors.

Section E. Special Action by the PMI Board without Meeting.

Any action required or permitted to be taken at a meeting of the PMI Board of Directors may be taken without a meeting if consent in writing, setting forth the action taken, is signed by all PMI Board Directors. Such consent shall have the same force and effect as an affirmative vote at a meeting duly called. The signed consent(s), or a signed copy, shall be placed in the minute's book of the PMI Board of Directors.

Section F. Proxies.

Unless provided otherwise in these Bylaws or by law, voting by proxy shall not be permitted.

Article IX: President and Chief Executive Officer

Section A. Appointment.

The PMI Board of Directors shall appoint and engage a qualified individual to the position of President and Chief Executive Officer. The President and Chief Executive Officer shall report to the full PMI Board of Directors, and shall be responsible and accountable for the supervision, control, and management of the Institute in its administrative, business, financial, and other affairs.

Section B. Authority and Duties of the President and Chief Executive Officer.

The President and Chief Executive Officer shall have the authority and duty, both regarding members of the Institute and staff, to 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. Among other authority, the President and Chief Executive Officer shall have the authority to: 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; develop PMI annual operating programs, products, services, and budgets; and, legally bind the Institute and sign on its behalf contracts, checks, drafts, notes, mortgages, leases and other legal documents, without limitation by reason of specification. The President and Chief Executive Officer shall attend and participate in all meetings of the PMI Board of Directors, except during closed executive sessions when it is so determined. The President and Chief Executive Officer shall perform such other duties as may be elsewhere specified in these Bylaws or as may from time to time be designated by the PMI Board of Directors.

Article X: PMI Components and other Subsidiary Groups

Section A. Establishment and Purposes.

1. **Establishment**. The PMI Board of Directors shall develop and approve policies and criteria which control and regulate the establishment and operation of chartered subsidiary Components, and other groups, consistent with the authority and limitations granted in the Articles of Incorporation, these Bylaws, and applicable Institute policies. Each Component shall be established only through the submission and approval of a Component Charter and Bylaws which shall be consistent with all applicable Component policies and criteria developed and approved by the PMI Board of Directors.
2. **Purposes**. The primary purposes of Components shall be to advance the general and specific purposes of PMI.

Section B. Categories.

The PMI Board of Directors, or groups of Institute members subject to PMI Board of Directors approval, may establish and maintain Components, which shall be a grouping of Institute members. These may include, but are not limited to the following:

1. **PMI Chapter**. A group of Institute members within a distinct and definable geographical area.

In addition to the Components identified in this Article, the PMI Board of Directors may authorize and approve the establishment of other groupings of PMI members which the PMI Board of Directors, in its sole discretion, has determined will further the purposes and objectives of the Institute.

Section C. Authority and Limitations.

1. **Authority**. Components shall have the authority and the duty to carry out the purposes of their charter and Bylaws, as approved by the PMI Board of Directors and consistent with the Bylaws of the Institute.
2. **Limitations**. Components are limited to activities set forth in their approved charter. At all times, the Charter, the Bylaws, and the activities of any Component must be consistent with these Bylaws, applicable policies, and all legal requirements including those in the jurisdiction in which the Component is located.

Section D. Charter Review and Maintenance.

1. Charter Review. The PMI Board of Directors may review each Component Charter on an annual basis to ensure compliance with all Component requirements and policies established by the PMI Board of Directors. The PMI Board of Directors retains the sole and exclusive authority to approve, suspend, deny, or revoke any Component Charter, consistent with these Bylaws and all applicable policies. In the event that probationary action is recommended and approved by the PMI Board of Directors, the Component Charter may be suspended.
2. Charter Maintenance. Each Component shall be responsible for maintaining and updating its Charter to ensure proper operation and continued compliance with these Bylaws and all applicable policies, and shall be responsible for demonstrating such compliance to the PMI Board of Directors.

Section E. Membership.

Component membership is open to, and limited to, any Institute member who meets the qualifications for such Component membership.

Section F. Use of PMI Intellectual Property.

Chartered Components shall use PMI names, trademarks, logos, symbols and other intellectual property in a manner which is consistent with these Bylaws and all applicable policies.

Section G. Dissolution.

The PMI Board of Directors shall dissolve any Component by revocation or non-renewal of the Component Charter, by declaring that the grouping of members is no longer a PMI component. Revocation and/or non-renewal of a Component Charter shall occur when the PMI Board of Directors determines that the Component is no longer a viable entity, or that such an action is in the best interests of the Institute and in accordance with applicable policies.

Article XI: Allied Society and Cooperative Relationships

Section A.

The PMI Board of Directors may promote such cooperative relationships with other project management groups, institutions or entities, including global organizations, where such

relationships will serve to further the interests and objectives of the Institute. The PMI Board of Directors shall develop and approve policies and procedures to govern the establishment of cooperative relationships. The President and Chief Executive Officer shall be responsible for the development and implementation of all general Allied or Cooperative Agreements. The PMI Board of Directors shall be kept informed of new and changed agreements by the President and Chief Executive Officer.

Article XII: Governance

Section A. Authorization and Act on Behalf of the Institute.

Except as provided in these Bylaws or in the Articles of Incorporation, or by applicable law, no Director, Officer, employee, representative, office holder, or other agent of the Institute may act on behalf of the Institute or hold himself or herself out to the public as authorized to act on behalf of the Institute without the prior express, written approval of the PMI Board of Directors.

Section B. Fiscal Year.

Unless modified by the PMI Board of Directors, the fiscal year of the Institute shall begin on January 1 and terminate on December 31.

Section C. Parliamentary Procedures.

The rules contained in the most recently revised edition of Roberts Rules of Order, shall govern the proceedings of the PMI Board in any instances not otherwise provided for in these Bylaws or by PMI Board adopted policy and procedure.

Section D. U.S. Internal Revenue Code.

All references in these Bylaws to sections of the U.S. Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, to the corresponding provisions of any applicable future U.S. Internal Revenue laws, and to all regulations issued under such provisions.

Section E. Severability.

If any portion of these Bylaws shall be invalid or inoperative, then, so far as reasonable, the remainder of these Bylaws shall be considered valid and operative.

Section F. Notice.

Whenever these Bylaws require notice to be given, the notice may be given in any manner permitted by law.

Section G. Language.

English shall be the official business language of the Institute.

Article XIII: Finance and Budget

Section A. Annual Budget.

A budget showing anticipated revenue and authorized expenses shall be adopted annually by the PMI Board of Directors. The annual budget for succeeding years shall be consistent with PMI Board-approved annual budgeting policies and procedures.

Section B. Accounting.

Accounting for the finances of the Institute shall conform to the recommended practices of the American Institute of Certified Public Accountants.

Section C. Independent Audits.

The PMI Board of Directors shall provide for an annual audit of the Institute's finances and financial statement by an independent auditor. Results of such audit shall be reported to the PMI Board of Directors. The President and Chief Executive Officer shall submit regular, scheduled statements of account to the PMI Board of Directors. The auditor and auditor selection requirements shall comply with the auditor independence rules, as well as all other professional practice standards and requirements, mandated by American Institute of Certified Public Accountants (AICPA) and any other governing entity or body. The results of such audit shall be reported to the PMI Board of Directors.

The external financial auditor engagement will be considered to be put out to bid annually after five (5) years, with a mandatory bidding process every ten (10) years. This will involve a full Request for Proposal (RFP) process from qualified bidders. The selection process for a new external auditor should begin twelve (12) months prior to the expiration of the current engagement. If the same firm is selected, partner rotation will be mandatory. In interim years, the Board of Directors retains the right to request proposals to change auditors.

The Board of Directors has sole authority to appoint or terminate the external auditor. The Audit and Risk Committee and PMI staff:

- Recommend to the Board of Directors when it is appropriate to issue a Request for Proposal (RFP) before the expiration of the current engagement.
- Design the RFP process, review the respondents to the process, and make a recommendation based on their evaluation of the proposals.

Section D. Liabilities.

No member, officer, director, committee, chair, department, employee, agent or representative of the Institute shall have authority or power to expend Institute funds, incur liability, or make any commitment for the Institute that will bind the Institute or create any financial liability, unless specifically authorized by these Bylaws or by the prior express, written approval of the PMI Board of Directors.

Section E. Contracts.

The PMI Board of Directors authorizes each Officer and the President and Chief Executive Officer or the President and Chief Executive Officer's designee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Institute. In addition, the PMI Board of Directors may 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. Such authority must be expressly granted in writing prior to the execution of the contract or instrument.

Section F. Property.

The PMI Board of Directors may take, receive, hold, sell, lease, and otherwise convey real and personal property. The PMI Board of Directors may delegate any responsibilities with respect to such property to the President and Chief Executive Officer. However, the PMI Board of Directors

may not purchase, sell, mortgage, lease away, or otherwise dispose of its real property unless authorized by a vote of two-thirds (2/3rds) of the PMI Board of Directors.

Section G. Checks, Drafts, Notes.

The PMI Board of Directors authorizes each Officer, the President and Chief Executive Officer, or their authorized designee(s), to issue checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness in the name of the Institute.

Section H. Bonding.

As may be determined by the PMI Board of Directors, any elected Officers, Board Directors, or Committee members, approved and authorized agents, and employees, including the President and Chief Executive Officer, of the Institute who are responsible for collection, disbursement, investment, or safekeeping of funds, may be furnished a fidelity bond for the faithful performance of their duties, in such form and amount (sum) as the PMI Board of Directors shall prescribe and approve.

Article XIV: Indemnification

Section A. Indemnification.

In the event that any person who is or was a Director, Officer, employee, trustee, authorized representative, or agent of the Institute (representative), acting in good faith and in a manner he reasonably believed to be in the best interests of the Institute, has been made party, or is threatened to be made a party, to any threatened, pending or completed action or proceeding by reason of being a representative, whether civil, criminal, administrative, or investigative (other than an action or proceeding by or in the right of the corporation), such representative may be indemnified against reasonable expenses and liabilities, including attorney fees, actually and reasonably incurred, judgments, fines, and amounts paid in settlement in connection with such action or proceeding. Where the representative was successful in defending the action, indemnification is mandatory.

Section B. Determination of Proper Indemnification.

Unless ordered by a court, discretionary indemnification of any representative shall be approved and granted only when consistent with the requirements of applicable law, and upon a

determination that indemnification of the representative is proper in the circumstances because the representative has met the applicable standard of conduct required by law and in these Bylaws.

Section C. Indemnification Not Exclusive of Other Rights/Court Determinations.

1. Extent of Indemnification. The indemnification provided under this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles of Incorporation, these Bylaws, any agreement, vote of disinterested Directors, or otherwise, both as to actions in his or her official capacity and as to actions in another capacity while holding office, and any such indemnification shall continue as to a person who has ceased to be a Director, Officer, employee, trustee, authorized representative, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such person.
2. Effect of Court Determinations. Indemnification made pursuant to this Article shall not be made in any case where the act, or failure to act, giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Section D. Liability Insurance.

To the extent permitted by applicable law, the Institute may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, trustee, agent, or other authorized representative of the Institute, or is or was serving at the request of the Institute as a Director, Officer, employee, trustee, agent or other representative of another corporation, domestic or foreign, non-profit or for profit, partnership, joint venture, trust, or other enterprise.

Article XV: Amendments to the Bylaws

Section A. Amendment Procedure.

1. Bylaws Amendment by Membership. Other than clerical changes, all sections of these Bylaws relating to the following subjects may be amended only by a vote of a majority of the voting membership of the Institute:
 - a. purposes and limitations of the Institute; [Article II. Sections A and B]
 - b. voting rights of members; [Article III, Sections A and B., and Article V, Section F]
 - c. classes and qualifications of membership; [Article III, Section B]
 - d. termination or transfer of membership; [Article III, Section C]

- e. regular member meetings; [Article V, Section A]
- f. amendment of member voting provisions; [Article V, Sections D, F; Article XV, Section A.1]
- g. [member] quorum; [Article V, Section E]
- h. action by members; [Article V, Section F]
- i. member action by proxy; [Article V, Section F]
- j. [existence] authority of the PMI Board of Directors; [Article VI, Sections A.1, A.2, and A.3]
- k. selection and removal of Directors; [Article VI, Sections A.5, B.5, and C]
- l. judges of election (Nominating Committee); [Article VI, Section C.1 and C.2]
- m. voting rights of Directors; [Article VIII, Section D]
- n. wind up and distribution (dissolution). [Article XVI]

Any other subjects reserved to the voting membership by Pennsylvania statute may only be amended by a majority vote of the Institute membership.

In order for a Bylaws amendment by the voting membership to be valid and effective, proper notice is required. Proper written notice under this section shall consist of a copy of the text of the proposed amendment, including any relevant explanatory materials, whether transmitted by mail, facsimile transmission, or other appropriate means, that is sent to each member at least sixty (60) days prior to the meeting. Notice by mail shall be deemed sufficient if sent to the last known address furnished to the Institute. Members may submit proposed amendments to these Bylaws by resolution pursuant to the requirements of Article V, Section D.

2. Bylaws Amendment by the PMI Board of Directors. All other sections of these Bylaws may be amended at any meeting of the PMI Board of Directors by an affirmative vote of two-thirds (2/3rds) of all Directors then holding office, provided that proper written notice of the proposed Bylaw change is given to each Director at least fifteen (15) days prior to the meeting. Proper written notice under this section shall be a copy of the text of the proposed amendment, including any relevant explanatory materials, whether transmitted by mail, facsimile transmission, or other appropriate means. Notice by mail shall be deemed sufficient if sent to the last known address furnished to the Institute.

Section B. Amendment Effective Date.

An amendment to these Bylaws shall be effective immediately upon adoption, unless another effective date is specifically determined by the PMI Board of Directors, upon adoption of such amendment.

Article XVI: Dissolution

Section A. Disposition of Assets.

Upon dissolution of the Institute, in accordance with applicable Pennsylvania or other law, and after paying or making provisions for the payment of all liabilities, the PMI Board of Directors shall dispose of all assets of the Institute in a manner consistent with any relevant legal requirements concerning the Institute's tax exempt and non-profit status, and exclusively to one or more non-profit organizations having similar aims, purposes, or objectives as the Institute, and which may be selected as an appropriate recipient(s) of certain assets, so long as such organization(s) shall then qualify as an organization or organizations exempt from federal income taxation under Section 501(c)(6) of the U.S. Internal Revenue Code, or other controlling law.

Article XVII: Adoption of Bylaws

Section A. Resolution to Adopt Bylaws.

The Project Management Institute, Inc., was organized under the laws of the Commonwealth of Pennsylvania in 1969. These Bylaws hereby nullify and replace the PMI Constitution and Bylaws last amended in October 1997. These Bylaws were adopted by the voting membership of the Institute, and no less than a two-thirds (2/3rds) vote of the PMI Board of Directors, and become effective January 1, 1999.