

DIVING EQUIPMENT AND MARKETING ASSOCIATION, INC



A California nonprofit mutual benefit corporation

BYLAWS

Revised and Restated: August 5, 1994

Amended: October 27, 1997

Amended: December 15, 1997

Amended: April 10, 1998

Amended: September 9, 2002

Amended: September 16, 2003

Amended: May 11, 2004

Amended: August 15, 2006

Amended: October 6, 2008

Amended: November 2010

Amended: February 2011

Amended: May 2016

Amended: February 2021

Amended: February 17, 2022

Amended: February 16, 2023

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ARTICLE I. NAME.

The name of this association shall be "Diving Equipment and Marketing Association, Inc." The letters "DEMA," when used in connection with any Association activity may be used in lieu of the full name of the Association.

ARTICLE II. PRINCIPAL OFFICE.

The Board of Directors shall determine the location of the principal office of the Association. Branch or subordinate offices may be established at any time by the Board of Directors at any place or places where the Association is qualified to transact business.

ARTICLE III. PURPOSES AND OBJECTIVES.

The purposes and objectives of the Association shall be:

- A. To promote the advancement of the diving industry, to promote and encourage the growth of diving activities, and to enhance the growth and public enjoyment of the sport of diving.
- B. To establish continuing business education programs to aid industry members, their officers and employees.
- C. To facilitate the exchange of information among industry members, through experts, internet-based programming, manuals and conferences, and other media on such subjects as quality control, general industry statistics, governmental regulations, product standards and/or certification, standardized methods of keeping books and records, and related topics of industry interest.
- D. To support the diving industry with communication services, media relations and resources.
- E. To support the diving industry in monitoring and communicating on legislation that impacts diving and to represent the industry before the executive, legislative and judicial branches of government throughout the United States and in foreign jurisdictions.
- F. To support the diving industry in the monitoring and protection of the environment through education and activities.

ARTICLE IV. MEMBERSHIP AND QUALIFICATION.

Section 1. Regular Membership Class A.

Regular Membership (Class A) ("Regular Membership") shall be limited to those organizations, firms, partnerships or associations which are engaged in the diving industry within the Association's divisions of (1) Manufacturers and Distributors of Diving Equipment (2) Diver Certification and Training, (3) Diving Publications, Media, Diving Industry Consultants, Associations and Non-retail Service Providers, (4) Retail Distribution of Diving Goods and Services, or (5) Dive Travel and Resorts and which subscribe to the Objects and Purposes of the Association. Such Member companies shall designate a key contact individual as its representative who shall represent the Member for purposes of Association matters, as well as alternate designates as described in Article V Section 2 of these Bylaws. Entities that do not meet the definition of any of these classes of Regular Membership but are otherwise deemed qualified for Regular Membership or which meet the definitions of two or more classes of Regular Membership, may be assigned to a class of Regular Membership by a vote of the Board of Directors in its sole and absolute discretion.

Specific qualifications for Membership and/or Membership in a particular Class A Division (defined below) shall be designated, approved and promulgated by the Board from time-to-time as the Board deems advisable.

Individual corporations, organizations, firms, partnerships, or associations, shall only be permitted to possess a single Membership, and only in a single Class A Division (defined below).

Class A Memberships shall be further divided into five divisions (each a "Class A Division") as follows:

- Class A-1 Manufacturers and Distributors of Diving Equipment
- Class A-2 Diver Certification and Training Agencies
- Class A-3 Diving Publications, Media, Diving Industry Consultants, Associations and Non-retail Service Providers

- Class A-4 Retail Distribution of Diving Goods and Services
- Class A-5 Dive Travel and Resorts

Section 2. Associate, Allied And Sustaining Membership -- Class B.

Associate, Allied and Sustaining Memberships (Class B) are those organizations, firms, partnerships, associations or individuals who are ineligible for any other classes of Membership and which subscribe to the Objects and Purposes of the Association. This class of Membership is entitled to all rights of Membership other than the right to vote and the right to hold an elected office. Such Members, if not individuals, shall designate a key contact individual as its representative who shall represent the Member for purposes of Association matters.

Section 3. Honorary Members.

Honorary Membership may be awarded to an individual as special recognition for meritorious service to the Association or to the diving industry. Individuals may be nominated to this category by majority vote of the Board of Directors and shall thereafter be confirmed by a majority of the Members present at any regular or special meeting.

Honorary Members shall not be liable for annual dues or assessments. Honorary Members are entitled to all rights of membership other than the right to vote, the right to hold an elected office, and the right to act as a designated representative of a member company

Section 4. Additional Classes of Members.

The Board of Directors may establish an additional class or classes of Members upon such qualifications as the Board of Directors may deem advisable.

Section 5. Application and Approval for Membership.

The Association's administration shall establish an application for Membership and each submitted application for Membership shall be reviewed and approved by or rejected by the Association, based on specific criteria and a process established by the Board, within thirty (30) days following receipt of such application. The applicant for Membership will be notified by the Association within fifteen (15) days of such action.

ARTICLE V. MEMBERSHIP RIGHTS AND VOTING.

Section 1. Membership Rights.

- All categories of Membership shall include the right to attend Association meetings (upon payment of any required registration fees); the right to receive Association publications; and the right to receive miscellaneous membership services such as are made available from time-to-time.
- The right to hold a seat on the Board and/or to chair committees shall be limited to the designated representative of Regular Members (Class A) ("Regular Members") in good standing.
- No Membership may be transferred. Except for the liability to pay accrued assessments, all Membership rights shall cease upon the termination of Membership.

Section 2. Voting Rights.

- The right to vote and elect directors shall be limited to Regular Members in good standing as of a Date of Record so designated by the Secretary of the Association.
- Effective 9/16/03: Each Regular Member shall designate in written form to the Association's Secretary the identity of its principal representative, its first alternate representative and its second alternate representative for purposes of voting. An alternate representative may be nominated for a Board of Director seat and run for election prior to the end of the term of the principal representative, however upon taking office the newly elected representative shall automatically become the Regular Member's principal representative. Each of said representatives shall be an officer, director, principal or senior management employee of the Regular Member. Each representative and alternate representative shall serve until the Secretary of the Association receives written notice of appointment of a successor thereto from the Regular Member represented by such person. The Regular Member's representatives shall represent the Regular Member in all matters relating to the Association.

- c. Action by the Members of the Association may be taken at any meeting at which a quorum as defined in Article VI, Section 4 is present and such action shall require the affirmative vote of a majority of the voting power of the Association present, in person or by proxy, and entitled to vote, unless otherwise provided.
- d. Proxies shall be in writing, subscribed by the granting Member, shall have a maximum duration of eleven (11) months, and shall at all times be revocable by said Member.
- e. The votes of Regular Members shall be weighted in proportion to the amount of dues paid by each Regular Member as determined in accordance with Article VII, Section 2 of these Bylaws.
- f. In connection with the election of Directors, each Regular Member shall have a weighted vote, as determined pursuant to subsection (e) above, for each Director seat being elected; each Board candidate shall run as an individual and there shall be no cumulative voting for the election of Directors.

Section 3. Letter Ballot (Amended 2/16/23).

A vote of the Regular Members of the Association in good standing may be taken on any issue or election by a thirty (30) day letter ballot, the thirty (30) days starting on the date the ballot is mailed. No Regular Member may change his, her or its vote given in a letter ballot after the expiration of the aforesaid thirty (30) days. Action taken by letter ballot shall require (A) sufficient votes cast to constitute a quorum as defined in Article VI, Section 4; (B) the affirmative vote of a majority of the quorum. Letter Ballots may be conducted by email or other form of electronic communication.

ARTICLE VI. MEMBERSHIP MEETINGS.

Section 1. Annual Meeting.

The annual meeting of the Membership of the Association, unless duly changed by the Board of Directors, shall be held each year at such time and place as shall be designated by the Board of Directors.

Section 2. Notice of Annual Meeting.

Notice to all Members shall be made by one or more of the following methods; first class letter, facsimile or electronic mail, or by official Association publications mailed by post or electronically, in which such publication a notice of the meeting is prominently displayed.

Section 3. Special Meetings.

Special meetings of the Members of the Association may be called at any time by the Board Chair, by the Secretary, by any two directors, or by a petition of twenty percent (20%) of the total voting power of the Association as determined by the weighted number of membership votes described in Article VII Section 2 of these Bylaws, and shall be held within thirty (30) days after receipt by the Association of such request. Notice of special meetings of the Members of the Association stating the place, date and time of the meeting, and the general purpose or purposes thereof, shall be delivered personally, by facsimile, by mail or by electronic mail by the Secretary or President/CEO to each Member at his address as the same appears on the records of the Association, at least fifteen (15) days prior to such meeting.

Section 4. Quorum.

At all meetings and in all matters on which voting of Association Members is required, unless otherwise specified, one-third (1/3) of the total voting power of the Association in good standing shall be required to constitute a quorum for any and all purposes, including the election of Directors. Voting power of the association shall be defined as the total number of combined votes of all Regular Members for the current year at the time and date of the expiration of the voting period in question.

For purposes of meetings, once a quorum is present, Association business may be validly conducted until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

ARTICLE VII. DUES AND ASSESSMENTS.

Section 1. Initiation Fee.

There shall be such initiation fee for Membership in the Association as shall be set by the Board of Directors from time-to-time.

Section 2. Membership Dues And Weighted Voting Rights.

A schedule of dues and weighted voting rights shall be set for each Class A Division Member and each class of Associate, Allied and Sustaining Members as determined by the Board from time-to-time.

Section 3. Honorary Members.

Honorary Members are exempt from dues and assessments and have no voting rights.

Section 4. Assessments.

Assessments may be levied against Class A and Class B Members of the Association by a two-thirds vote of the total voting power of the Association at any meeting of the Regular Members called for that purpose or by a two-thirds vote of the total voting power of the Association by letter ballot. Each Member shall pay a pro rata portion of the assessment calculated based on the annual dues paid by such Member and, in no event, shall the total of such assessments exceed \$500 per Member, per year.

ARTICLE VIII. MEMBERS' LIABILITY.

The liability of Members for dues or assessments may be enforced by legal action or by forfeiture of Membership at the discretion of the Board of Directors as provided for in Article IX.

ARTICLE IX. TERMINATION AND REMOVAL.

Section 1. Termination.

Membership in the Association may be terminated by death or legal incapacity of an individual Member; by dissolution, liquidation and/or voluntary or involuntary winding-up of a corporate or partnership Member; or by voluntary withdrawal as hereinafter provided. Any Member may, by written resignation duly accepted by the Board of Directors, resign from Membership. Such resignation shall be presented to the Board at its next scheduled annual or special meeting, and the effectiveness thereof may be conditioned upon such Member's paying all amounts owing to the Association up to the date of resignation. The effective date of resignation shall be the date of the Board resolution accepting the same.

A Member may be suspended based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the Member has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Association. A person or entity whose Membership is suspended shall not be a Member during the period of suspension.

Section 2. Termination for Cause.

Any Member may be suspended or expelled for nonpayment of any indebtedness to the Association, subject to Section 3 below, for violation of any provision of the Bylaws or any lawful rule, regulation or practice duly adopted by the Association, the occurrence of any event, or the change in any fact or circumstance, which renders the Member ineligible for Membership or unable to satisfy the current Membership qualifications, or for any other conduct or circumstance deemed not to be in the best interest of the Association or the diving industry; provided that, in each such event, the procedure specified in Section 4 of this Article IX shall have been complied with. The suspension, expulsion or termination of any corporate Member from the Association, consistent with such procedures, shall automatically terminate any directorship or official position held by any representative of such corporate Member on the Board of Directors or in the Association as of the date of such suspension, expulsion or termination.

Section 3. Effect of Failure to Pay Dues.

Upon the failure of any Member of the Association to pay all dues or other assessments to which it is subject within fifteen (15) days after the same shall have become due, such Member may be suspended. If such failure shall continue for another sixty (60) days, such Member's Membership shall terminate, provided there has been compliance with the procedures set forth in Section 4 of this Article IX. Notwithstanding the preceding sentence, any Membership suspended or terminated as a result of a Member's failure to pay all required dues or assessments may be reinstated by the Board

of Directors upon such conditions as the Board, in its sole discretion, may prescribe. The failure of any Member to pay any duly-levied assessment permitted by Article VII, Section 4 hereof shall be subject to suspension and termination in the same manner as provided in this Section 3.

Section 4. Procedure for Suspending or Terminating Members.

- a. Except for termination of Members as provided in Section 1 of this Article IX, no Member may be expelled or suspended, and no Membership may be terminated or suspended, unless accomplished in accordance with the procedures of this Section 4.
- b. Upon the occurrence of any event or circumstance which permits the suspension, expulsion or termination of Membership of any Member of the Association, the Board of Directors, through its President/CEO, shall furnish not less than thirty (30) days' prior written notice to such Member of the proposed suspension, expulsion or termination, and the reasons, therefore. The written notice shall specify the date of the next regular or special meeting of Members of the Association at which time the proposed suspension, expulsion or termination shall be voted upon, and shall further provide the Member with an opportunity to be heard, either orally or in writing, not less than five (5) days before the date of such regular or special meeting by a three (3) Member panel appointed by the Board of Directors comprised of two directors and the highest ranking official of the Association who shall not be a director at such time (the "Disciplinary Board").
- c. The Disciplinary Board shall have the power and discretion to determine, based upon such Member's oral or written arguments or explanations, that the proposed suspension, expulsion or termination should not take place, in which event the Member shall be deemed reinstated on the date the Disciplinary Board shall make such determination. The Disciplinary Board shall in all events act in good faith and in a fair and reasonable manner. The Members of the Disciplinary Board may be designated or appointed by resolution duly adopted by the Board of Directors at any meeting thereof, and such Members shall serve until their successors are elected and qualify.
- d. If the Disciplinary Board determines, by majority vote, that such Member should be suspended, expelled or have Membership terminated, the question of such Member's suspension, expulsion or of Membership termination shall be presented to the next succeeding regular or special meeting of the Association's Members, and such suspension, expulsion or termination, as the case may be, shall become effective if approved by the vote of at least two thirds (2/3) of the total voting power of the Association. The effective date of any such suspension, expulsion or termination shall be the date of such regular or special meeting at which the foregoing approval shall have been obtained. Notwithstanding the foregoing, the Association may, by similar vote, rescind any such action and reinstate the Member, with or without prescribing any conditions relative thereto.

Section 5. Members' Rights Upon Termination.

In the event any Member is suspended, expelled or has Membership terminated as provided in this Article IX, all rights, privileges and interest of such Member in and to the Association shall be suspended or terminated forthwith, as the case may be, and the Association shall not be obligated or liable to such Member for any refund or repayment of all or any portion of any dues, assessments or other payments made prior to the date of such suspension or termination.

ARTICLE X. MEMBERSHIP RIGHTS AND DISSOLUTION.

Section 1. Nontransferability.

Membership in the Association shall not be transferable.

Section 2. Assets of the Association.

No Member of the Association shall have the right, title or interest in or to the whole or any part of the property or assets of the Association; and in the event of dissolution, liquidation, abandonment, or winding up of the affairs of the corporation the assets remaining after payment of all debts and obligations (or adequately providing for the latter) shall be distributed to one or more nonprofit organizations designated by a majority of the directors, which organization(s) shall have established its or their tax-exempt status under Section 501(c) of the Internal Revenue Code of 1954. In no event shall any assets inure to the benefit of or be distributed to any Member, director, officer or employee of the Association. If the majority of the full Board of Directors is not in full accord as to the disposition of assets within one (1)

year of the date of the event causing its dissolution, liquidation, abandonment or winding up, then such assets shall be disposed of in such manner as may be directed by decree of the local court of general jurisdiction.

ARTICLE XI. MEMBERSHIP MARK OR LOGO.

There shall be established a Membership mark which shall be used on Membership plaques or decals available from Association headquarters and shall be available to Members for use in indicating their Membership in the Association. However, such mark shall not be used by Members in any manner except as may be specifically approved from time-to-time by the Board of Directors.

ARTICLE XII. OFFICERS AND DUTIES.

Section 1. General.

The officers of the Association shall be a Board Chair ("Chair"), one or more Vice Chairs, including a Senior Vice Chair, a Secretary, and a Treasurer and such other offices as may be determined from time-to-time by the Board of Directors.

Section 2. Officers. (Amended 2/17/22)

All officers shall be elected by the Board of Directors, with the Board Chair and Vice Chairs being selected from their own number. The offices of Secretary and Treasurer may be held by the same person who may, but need not be, a member of the Board of Directors.

Section 3. Election. (Amended 2/17/22)

The officers shall be elected by the Board of Directors at the first regular meeting of the Board of Directors for the calendar year . They shall hold office for one year or until their successors are elected and installed. If any office becomes vacant, it shall be filled by vote of the Board of Directors.

Section 4. Removal And Resignation.

Any officer may be removed, either with or without cause, by the Board at any time, providing such authority has not been restricted by written agreement. Any officer may resign at any time by giving written notice to the Board or to the Board Chair or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section 4 shall be without prejudice to the rights of the Association or any employee of the Association under the terms of any employment contract.

Section 5. Bonding.

All officers and employees of the Association may be required to furnish bond for the faithful performance of their duties, and in such amount and with such sureties as may be required by the Board of Directors, the cost of which shall be paid by the Association.

Section 6. Board Chair.

The Board Chair shall preside at the meetings of the Board of Directors, shall supervise the President/Chief Executive Officer (CEO) of the Association, shall preside at all Annual and Special meetings of the Members and of the Board of Directors, and shall perform all duties incident to his office, and such other duties as may be required by law, by the Articles of Incorporation, by these Bylaws or which may be prescribed from time-to-time by the Board of Directors. The Board Chair shall not vote in meetings of the Board of Directors except in the case of a tie vote among the Members of the Board of Directors. The Board Chair may not also be the Board Treasurer.

Section 7. Vice Chair.

One Vice Chair shall be elected by the Board from one of its members to serve as Senior Vice Chair, who shall be vested with all the powers and shall perform all the duties of the Board Chair, in the event of the absence, disability or refusal to act of the Board Chair. Each of the remaining Vice Chairs shall be vested with all of the powers and shall perform all of the duties of the Board Chair, in the event of the absence, disability or refusal to act of both the Board Chair and

Senior Vice Chair, in an order designated at the time of their election. Each Vice Chair shall also perform such other duties as may be assigned to them from time-to-time by the Board of Directors.

Section 8. Secretary.

The Secretary (or the President/CEO as provided herein below) shall keep the minutes of all proceedings of the Members and of the Board of Directors in books or in electronic files provided or designated for that purpose. He shall attend to the giving and serving of notices of all meetings of the Members and of the Board of Directors. He shall execute with the Board Chair, in the name of the Association, all contracts and other obligations and instruments authorized by the Board of Directors to be executed. He shall keep and have charge of Membership books and records, the Bylaws, and such other papers as the Board of Directors may direct.

Section 9. Treasurer.

The Treasurer (or the President/CEO as provided herein below) shall keep, or cause to be kept, full and accurate accounts or receipts and disbursements of the Association. He shall receive and deposit all monies and other valuables of the Association in the name of and to the credit of the Association, in such depository as may be designated by the Board of Directors or, in the absence of such designation, as may be selected by him. He shall disburse, or cause to be disbursed the funds of the Association as directed by the Board of Directors, and shall render to the Board Chair and to the Board of Directors, whenever required, accounts of all of his transactions as Treasurer and of the financial condition of the Association. He shall, in general, perform all the duties incident to the office of Treasurer, subject to the control of the Board of Directors. At the direction of the Board of Directors, any or all of the duties of the Treasurer may be delegated to the President/CEO of the Association. The Board Treasurer may not also be the Board Chair.

Section 10. Delegation.

The duties of the offices of the Association may be delegated to others as the Board of Directors may from time-to-time direct.

ARTICLE XIII. PRESIDENT/CHIEF EXECUTIVE OFFICER.

Section 1. President/Chief Executive Officer ("CEO") - Office Of

The Board of Directors from time-to-time may employ or otherwise retain a President/CEO. The President/CEO shall be the Chief Executive Officer of the Association and shall, in general, be subject to the control of the Board of Directors, shall be supervised by the Board Chair and shall supervise and control the affairs of the corporation, including (with Board approval where appropriate) the execution of all contracts and agreements, preparation of internal reports and communications and formulation and implementation of all administrative policies and procedures.

The President/CEO shall not be a Member of the Association and shall not be eligible for Membership. The President/CEO may be an employee of the Association or an employee of a firm retained in a management capacity. The President/CEO is deemed an officer of the corporation for purposes of non-liability and indemnification as provided in Article XV, Sections 1 and 2 of these Bylaws, and shall be responsible and accountable to the Board of Directors.

The Board of Directors may appoint this individual to other, concurrent corporate officer positions or may delegate some or all of the functions normally prescribed to these offices as permitted under law.

Section 2. President/CEO -- Responsibilities, Accountability and Authorities

The office of President/CEO, when employed or retained by the Board of Directors shall serve at the pleasure of the Board of Directors, shall be accountable to the Board of Directors, shall be supervised by the Board Chair and shall be generally responsible for the management of the activities of the Association, subject at all times to the direction and control of the Board of Directors.

ARTICLE XIV. BOARD OF DIRECTORS.

Section 1. General.

- a. The activities and affairs of the Association shall be conducted, and all corporate powers shall be exercised by, or under the control of, the Board of Directors, the membership of which shall be elected in accordance with the terms of this Article XIV. The Board may delegate the management of the activities of the Association to any person, management company or committee however composed, provided that the activities and affairs of the Association shall be managed, and all corporate activity shall be controlled, by the Board of Directors.
- b. Members of the Board of Directors shall serve without compensation.
- c. The Board may appoint such individuals to serve as Honorary Advisor or Advisor Emeritus as the Board, from time-to-time, deems appropriate. They shall have no specific duties or responsibilities, but may serve to counsel and assist the Board as requested. They shall not be entitled to vote at any meeting or in connection with any other proceeding of the Board, may be appointed or removed at the discretion of the Board and shall serve until the next meeting of the Board of Directors at which new Directors shall be installed. They shall not be deemed to be members of the Board for any purpose whatsoever, solely by reason of their designation as Honorary Directors or as Board Member Emeritus.

Section 2. Composition of Board.

- a. The authorized number of Directors shall be ten (10).
- b. The Board of Directors shall comprise two (2) Directors from each of the Class A Divisions as defined in Article IV Section 1 of these Bylaws.

Section 3. Eligibility.

- a. The principal representative of a Regular Member in good standing for the year in which the Board member is to take office shall be eligible for membership on the Board of Directors.
- b. No more than one (1) director from any Member firm shall be eligible to be elected to serve on the Board.
- c. If a director terminates his employment with the firm he represented at the time of his election, or said firm leaves the Association or revokes the director's right of representation prior to the expiration of such director's term of office, his directorship shall terminate, and the vacancy shall be filled as provided in Section 7 of this Article XIV as if the director had been removed without cause.
- d. Individuals may seek election to the Board of Directors under only one Membership division per election.

Section 4. Nomination and Election. (Amended 2/17/22)

- a. The nomination of candidates for membership on the Board of Directors shall be made by the Nominating Committee or by written petition.
- b. The Nominating Committee shall comprise five (5) Members with one representative from each of the five Class A Divisions. The Members of the Nominating Committee may be Members of the Board of Directors but no Director standing for election may serve on the Committee. The Nominating Committee shall be nominated by the Board Chair and approved by the Board of Directors at the first regular meeting of the Board of Directors for the calendar year. Members of the Nominating Committee will serve for one year or until their successors have been selected and installed.
- c. The Nominating Committee shall operate under such procedures as are adopted from time-to-time by the Board of Directors. The Nominating Committee will submit a slate of candidates to the Board of Directors which may accept or change the slate of nominees and shall present the slate of nominees to the Membership of the Association not less than ninety (90) days prior to the date of the election which shall be December 15 or such other date selected by the Board of Directors from time to time.
- d. The Nominating Committee shall exert due diligence to locate and recommend more than one suitable candidate for each Director seat to be filled in the particular election.
- e. Additional nominations for the Board of Directors shall be included in the final slate of nominees when proposed by a signed petition of Members holding two percent (2%) or more of the total voting power of the Association or by at least ten (10) Regular Members, whichever is less. Such nominations must be presented in writing to the Secretary of the Association no less than sixty (60) days prior to the election.
- f. The Directors shall be elected to the Board of Directors by the Regular Members of the Association. The Secretary shall prepare an official ballot listing the names of the nominees and shall provide the ballots to the Regular

Members and conduct an election of Directors at a meeting of the Regular Members called for the purpose of electing the Members of the Board of Directors, by ballot or by proxy or by letter ballot at the discretion of the Board of Directors.

- g. Provided a quorum is represented at the meeting, the candidate receiving the most votes for the particular Director seat for which such person is nominated shall be elected Director for the Board Seat. When two or more Director seats are subject to election within a Division or at large, the top two or more candidates receiving the most votes for the particular division or at large Director seat shall be elected. When the term of one seat is longer than the other seat within a Division, the candidate(s) with the most votes shall be elected for the Director seat(s) with longer term(s). In the event of a tie in the election of a Director, the current Board of Directors then sitting shall select the Director from amongst those candidates who have tied for such Board seat.

Section 5. Term (Amended 7/16/10).

Except as otherwise provided in Section 1 of this Article XIV, Directors shall be elected to office for three-year terms, may be re-elected to serve no more than one (1) consecutive full three-year term and no more than seven (7) consecutive years in office, and may be re-elected to office following a minimum continuous break in service of one (1) year. The terms of the elected Directors begin, they shall be installed, and their terms end at the commencement of the first meeting of the Board of Directors after the annual election of Directors, which meeting shall be held within the first calendar quarter following each such election.

Section 6. Removal and Suspension (Amended 2/10/21).

A director may be removed from office by the affirmative vote of two-thirds (2/3) of the total voting power of the Association as determined at the time of the vote in question.

A director may be removed from office by the affirmative vote of two-thirds (2/3) of the voting members of the Board of Directors at any regular or special meeting of the board at which a quorum of board members is in attendance.

A director may be suspended based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the director has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Association. A director who is suspended shall not be a director during the period of suspension. Any suspension of a director under this Section shall then follow the procedures set forth in Article IX, Section 4 as in the case of Member Suspension or Termination.

Section 7. Vacancies.

- a. Any vacancy occurring in the Board of Directors for any reason (including without limitation, any vacancy caused by an increase in the number of Directors authorized hereunder) shall be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum, or by appointment made by the sole remaining director.
- b. At the option of a majority of the Board, instead of the vote described in (a) above, the Board may call for an election by the Members of the Association to fill any vacancy occurring in the Board of Directors. In the event of such an election, the procedures of Section 4 above shall be followed.
- c. Effective 09/09/02: The remaining Director in the same class of Membership shall hereafter assume (or retain) the seat that has the longer term, and any successor Director appointed to fill a vacancy pursuant to these Section 7, Article XIV, shall serve in such capacity until his or her successor shall have been duly elected at the next annual election of the Directors. If both seats in the same class of Membership become vacant simultaneously, then the election provisions of Section 5 of this Article shall apply.
- d. Only representatives of Members from the same class of Membership as the vacant directorship shall be eligible to be appointed to fill the vacant directorship.

Section 8. Place of Meetings.

Meetings shall be held at the principal office of the Association or at such place within or without the state of California as is designated from time-to-time by resolution of the Board or by agreement of the Board Chair and President/CEO. In the absence of such designation, any meeting not held at the principal office of the Association shall be valid only if held

on the written consent of all Directors given either before or after the meeting and filed with the Secretary of the Association or after all Board Members have been given written notice of the meeting as hereinafter provided for special meetings of the Board. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another.

Section 9. Regular Meetings.

Regular Meetings of Directors shall be held without call on such dates and at such times as may be fixed by the Board.

Section 10. Special Meetings.

Special meetings of the Board may be called by the Board chair, the President/CEO, the Secretary, or by any three Directors, and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the Association or in accordance with Section 9 herein above.

Section 11. Notice of Meetings.

Notice of meetings of the directors shall be given in such manner as the Board of Directors, by resolution, may provide. If not otherwise provided, notice shall be given in writing and mailed, sent by facsimile, or e-mailed to the directors at least fifteen (15) days in advance of regular meetings, and at least fifteen (15) days in advance for special meetings, provided, however, that in the event of an emergency, as determined by the Board Chair, President/CEO, the Secretary, or by any three Directors, in good faith, notice of a special meeting may be given telephonically, by e-mail or by facsimile, no less than forty-eight (48) hours in advance of the special meeting.

Section 12. Waiver Of Notice And Consent To Holding Meetings.

The transactions of any meeting of the Board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each Director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 13. Quorum.

A majority of the authorized number of directors from time-to-time including the Board Chair, shall constitute a quorum for the transaction of business, and every act or decision of a majority of the directors present at a meeting at which a quorum shall exist shall be valid and binding upon the Association as the act of the Board of Directors, except as provided for in Article XXII. A vote of the Members of the Board of Directors may be taken on any issue by a letter ballot. Action taken by letter ballot shall require the affirmative vote of a majority of the entire Board of Directors after having been provided 72 hours notification and opportunity to submit their letter ballot. No director may vote by proxy.

Section 14. Confidentiality.

No Member of the Association or Director shall have the right to access any Confidential Information in the possession of the Association. For purposes of this section, Confidential Information shall mean all member survey data; questionnaire responses concerning trade shows sponsored by the Association; all data obtained from Members or others concerning dive industry sales, product sales, suppliers used by retailers, retailers served by suppliers, diver certifications and diving class students; and all confidential personnel records. Confidential Information shall not include reports or analyses based on such data.

Section 15. Open Minutes.

Duly-approved minutes of the Board of Directors shall be available to Regular Members for inspection at the Association during regular business hours or by publication on the official Association internet website.

ARTICLE XV. NONLIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Nonliability.

The Association, its Board of Directors, officers, employees, representatives, those acting on behalf of the Association and such independent management as it may retain shall not be liable to any of its Members for any statement, errors, or omissions in any reports sent out by the Association or its agents, whether the same shall be due to the negligence of the Association, its Board of Directors, officers, employees, representatives, those acting on behalf of the Association or independent management or otherwise; and each and every Member or those that hereafter may become Members, shall be deemed to have expressly released the Association, its Board of Directors, officers, employees, representatives, those acting on behalf of the Association and independent management, from any and all liability for such statements, errors and omissions, and further, from any and all liability by reason of any agreements, contracts, obligations, acts, steps or plans entered into or undertaken by the Association on behalf of its Members.

Section 2. Indemnification By Association Of Directors, Officers, Employees And Other Agents.

To the fullest extent permitted by law, this Association shall indemnify its Directors, officers, employees, representatives, those acting on behalf of the Association and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonable incurred by them in connection with any "proceeding," as that term is used in Section 7237, and including an action by or in the right of the Association, by reason of the fact that the person is or was a person described in that Section. "Expenses" as used in these Bylaws, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not Parties to that proceeding, the Board shall promptly call a meeting of Members. At that meeting, the Members shall determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Regular Members in good standing present at the meeting, in person or by proxy, shall vote to authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by the person seeking indemnification under this section in defending any proceeding covered by this section shall be advanced by the Association before final disposition of the proceeding, on receipt by the Association of any undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.

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

Section 3. Insurance For Corporate Agents.

The Board may adopt a resolution authorizing the agent of the Association (including a Director, officer or employee of the Association) to secure insurance against any liability other than for violating provisions of law relating to self-dealing (Section 7233 of the California Corporations Code) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Association would have the power to indemnify the agent against such liability under the provisions of Section 7237 of the California Corporations Code.

ARTICLE XVI. COMMITTEES.

Section 1. Standing and Special Committees.

The Board Chair, by and with the consent of the Board of Directors, may appoint such standing and special committees as may be necessary or required in the operation and conduct of the business of the Association.

Section 2. Executive Committee.

The Board may, by a majority vote of Directors, establish an Executive Committee and delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Association, except with respect to:

- a. The approval of any action which, under law or the provisions of these Bylaws, requires the approval of the Members or of a majority of all of the Members.
- b. The filling of vacancies on the Board or on any committee of the Board.
- c. The amendment or repeal of Bylaws or the adoption of new Bylaws.
- d. The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable.
- e. The appointment of Committees of the Board or the Members thereof.
- f. The expenditure of corporate funds to support a nominee for Director.
- g. The approval of any transaction to which this Association is a party and in which one or more of the Directors has a material financial interest, except as expressly provided in Section 7233(a)(3) of the California Nonprofit Mutual Benefit Corporation Law.

By a majority vote of Directors then in office, the Board may at any time revoke or modify any or all of the authority so delegated, terminate the Executive Committee or increase or decrease the membership of the Executive Committee, but not below the inclusion of the Board Chair, Vice Board Chairs, Secretary and Treasurer and fill vacancies therein from the Members of the Board. The Executive Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time-to-time as the Board may require.

Section 3. Meetings and Action of Committees.

Meetings and action of any committees created by the Board shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its Members for the Board and its Directors except that the time for regular meetings of committees may be fixed by resolution of the Board or by the committee. The time for special meetings of committees may also be fixed by the Board. The Board may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

ARTICLE XVII. PROCEDURE.

Except as otherwise provided in these Bylaws, or as determined from time-to-time by the Board of Directors, the Parliamentary Procedure as set forth in Roberts Rules of Order, as said Rules may be revised from time-to-time, shall govern in any procedural question.

ARTICLE XVIII. EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS.

Section 1. Execution of Instruments.

The Board, except as otherwise provided in these Bylaws, may by resolution authorize any Officer, usually the President/CEO, or agent of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by resolution of the Board, no Officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2. Checks And Notes.

Except as otherwise specifically determined by resolution of the Board, or as otherwise required by law, checks, drafts, promissory notes, and orders for the payment of shall be approved in writing by either the Treasurer or the Board Chair of the Association and signed by the President/CEO, for all amounts exceeding \$5,000.00. For lesser amounts than \$5,000.00 a single signature of an authorized Officer is permitted.

Section 3. Fund Deposits.

All funds of the Association shall be deposited from time-to-time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select, or in the absence of the Board's direction as designated by the Treasurer.

Section 4. Gifts And Donations.

The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the charitable or public purposes of this Association.

ARTICLE XIX. CORPORATE RECORDS, REPORTS AND SEAL.

Section 1. Maintenance Of Corporate Records.

The Association shall keep at its principal office of the Association:

- a. Minutes of all meetings of Directors, committees or the Board and of all meetings of Members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- c. A record of its Members, if any, indicating their names and addresses and, if applicable, the class of Membership held by each Member and the termination date of any Membership;
- d. A copy of the Association's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the Members, if any, of the Association at all reasonable times during office hours.
- e. Copies of all contracts and legal obligations of the Association.

Section 2. Corporate Seal.

The Board may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Association. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 3. Directors' Inspection Rights.

Subject to the limitations set forth in Section 14 of Article XIV of these Bylaws, every Director shall have the right, at any reasonable times, to inspect and copy all books, records and documents of the Association and to inspect the physical properties of the Association.

ARTICLE XX. FISCAL YEAR.

The fiscal year of the Association shall begin at the first day of January and shall conclude on the last day of December in each year.

ARTICLE XXI. DISSOLUTION.

The Association may be dissolved by the affirmative vote of a majority of the total voting power of all the Regular Members of the Association. Such vote shall be taken only at an annual or special meeting of the Members at which at least thirty (30) days' notice of the intention to vote on dissolution shall have been given to all Members. The association may also be dissolved by approval of a majority of directors and confirmed by approval of a quorum of the total voting power of the association. Upon dissolution of the Association, the Board of Directors shall, after paying or adequately providing for the payment of all known obligations of the Association, dispose of all of the assets of the Association exclusively for the purpose of the Association, in such manner or to such organization or organizations

engaged generally in the same field as the Association and as shall at the time qualify as an exempt organization or organizations under Section 501(c)(6) of the Internal Revenue Code of 1954, or the corresponding provision of any future United States Internal Revenue Law, as the Board of Directors shall determine.

ARTICLE XXII. AMENDMENT.

These Bylaws may be amended in the following manner:

Section 1. Notice and Vote Requirement: Member Vote.

A written notice setting forth the substance of the proposed amendment shall be submitted to each Regular Member at least thirty (30) days prior to the meeting at which the amendment will be presented. Passage of any amendment shall require (A) a quorum to be established as described in Article VI, Section 4; (B) the affirmative vote of a majority of the quorum.

Section 2. Letter Ballot: Member Vote.

The proposed amendment may be submitted to Regular Members by letter ballot, at the discretion of the Board of Directors, in which case the letter ballot shall set forth the full text of the proposed amendment. In order to be adopted, amendments so submitted by letter ballot shall require (A) that the votes cast by letter ballot shall equal or exceed a quorum as described in Article VI, Section 4; and (B) the affirmative vote of a majority of the quorum.

Section 3. Amendment: Board of Directors.

Except as provided for in the California Nonprofit Mutual Benefit Law (including Sections 7150 and 7151), the Articles of Incorporation or these Bylaws, the Bylaws may be amended by the affirmative vote of two thirds (2/3) of the entire Board of Directors without regard to the number of Members of the Board present and voting on such amendment.

ARTICLE XXIII. MANUFACTURERS AND DISTRIBUTORS FUND (Amended 2/17/22)

There shall be established, on an annual basis, a fund equal to five percent (5%) of the gross revenues derived by the Association from the trade show conducted during the previous year (the "Class A-1 Fund"), which Class A-1 Fund may be utilized for the benefit of the entire DEMA membership, or the overall diving industry, or the trade association itself by the Class A-1 Division of Manufacturers and Distributors, through a committee of not less than two members which shall be appointed by the Class A-1 Division Directors, and which shall include both Class A-1 Directors. The Members of the Committee shall select the Chairman of the Committee from among their number. In the event that the number of Class A-1 Division Directors shall fall below two (2) at any time, then the open Fund Committee seats shall be filled by the majority vote of the Class A-1 Division Members voting in such an election, until such time as the vacant Class A-1 director seat is filled; provided that, for purposes of this Article XXIII only, each Class A-1 Division Member shall be entitled to one vote with no differentiation in weight. Upon the election of a new Class A-1 director, the director shall assume the seat on the Committee. Any amounts in the Class A-1 Fund not utilized by the Class A-1 Division by the end of a given calendar year may be retained in the Class A-1 Fund for up to three years hence. Any amount unused after three years must be returned to the Association for general use, with measurement of three years using "first in, first out" method. Any Portion of the Class A-1 Fund may be returned to the Association for its general use, at any time, upon the affirmative vote of a majority of the Committee. Nothing herein shall be construed as prohibiting the Board of Directors from establishing similar funds for other divisions.