

THE ESOP ASSOCIATION BYLAWS

as adopted by the Board of Directors November 13, 1993, as amended May 16, 1994, as amended November 4, 1995, as amended November 9, 1996, as amended May 12, 1997, as amended August 9, 1998, as amended February 18, 2001, as amended August 21, 2001, as amended April 28, 2003, as amended November 10, 2012, as amended February 8, 2014.

ARTICLE I

NAME AND OPERATING YEAR

The name of this corporation shall be The ESOP Association, (hereafter referred to in these bylaws as "Association" or "The Association"). The Association may also be known as the Employee Stock Ownership Association. The Association shall operate on a fiscal year established by the Board of Directors.

ARTICLE II

OFFICES

Section 1. Principal Office.

The principal office of The Association shall be located in the Washington, DC area. The Board of Directors may change the location of the principal office to a locale other than the Washington, DC area.

Section 2. Other Offices.

The Board of Directors may establish subordinate offices at any location.

ARTICLE III

MEMBERSHIP

Section 1. Members.

There shall be four classes of members of The Association. The first class of member shall be known as Corporate members, and they shall be voting members. The second class of members shall be known as Professional members and they shall be voting members. The third class of members shall be known as Educational members and they shall have no vote. The fourth class of members shall be known as Affiliate members, and they shall have no vote.

Section 2. Qualification for Corporate Members.

Any business entity that has an employee stock ownership plan and that pays the required annual dues will be a Corporate member of The Association.

Section 3. Qualifications for Professional Members.

(a) Individual Professional Member. Any person who installs employee stock ownership plans or who offers services to business entities that have employee stock ownership plans, and who pays the required annual dues, will be Professional member of The Association.

(b) Firm Professional Member. Any firm that installs employee stock ownership plans, or that offers services to business entities that have employee stock ownership plans, or that has an interest in employee stock ownership plans, will be Professional member of The Association, if the firm pays the required annual dues of an individual Professional member. In order for more than one person in a firm to have certain privileges of The Association, such as reduced fees to certain Association meetings, membership on Association committees, etc., the firm must pay an additional annual dues for each additional person as established by the Board of Directors. When a firm has two or more locations, the firm's payment of an individual Professional member dues for an individual at one office location will not entitle anyone at another office location of the firm to be a professional member of The Association; instead, in order for any individual to be eligible for professional membership at the other location, the firm will have to pay an individual professional member dues for an individual at that location.

Section 4. Qualifications for Educational Members.

Any student or faculty member of a university or college, or any non-profit organization that promotes employee ownership, and who pays the required annual dues, will be an Educational member of The Association.

Section 5. Qualifications for Affiliate Members.

Any business entity that is considering the implementation of an employee stock ownership plan and that pays the required one-year dues will be an Affiliate member of The Association for no longer than one year.

Section 6. Others.

The Board of Directors may authorize other classes of members provided that the class pays dues, and that membership in the class does not confer voting power in this Association.

Section 7. Rights, Privileges and Duties.

The Board of Directors may prescribe the rights, privileges and duties of any class of membership except that the Board of Directors may not alter the voting power of any class.

Section 8. Voting.

Each Corporate member of The Association shall have one vote. Each individual Professional member shall have one vote. Each firm Professional member shall have one vote.

Section 9. Dues.

The Board of Directors shall fix the dues of members.

Section 10. Admission of Members.

All applications for membership in The Association shall be communicated to The Association, and membership in The Association shall commence upon acceptance of the application and payment of the annual dues.

Section 11. Termination of Membership.

An Association member may resign by notifying The Association. A resignation shall become effective when The Association receives the notice. The Board may suspend or cancel any membership for good cause. In the event of suspension or cancellation of membership, a pro rata refund of current dues shall be made to the affected member. Suspension and cancellation procedures shall not be arbitrary or capricious, and shall provide the affected member due process and a hearing which the member may waive.

Section 12. Liability of Members.

No firm or person who is now, or who later becomes, a member of The Association shall be personally liable to its creditors for any indebtedness or liability; and any and all creditors of this Association shall look only to the assets of The Association for payments.

ARTICLE IV**MEETING OF MEMBERS****Section 1. Annual Meeting.**

The Association shall have an annual meeting of the members in the second quarter of each calendar year. The Association's Annual Meeting may occur during The Association's convention. Each voting member shall be notified of the time and place of the annual meeting. The Association's Chief Staff Officer shall, or cause any notice to be delivered, not less than ten days nor more than sixty days before the date of the annual meeting.

Section 2. Special Meetings.

The Chair of The Association, or any five (5) members of the Board of Directors may call for special meetings of the members at any time. The Chief Staff Officer of The Association shall or, cause to be delivered notices, of any special meeting in the same manner as is done for the Annual Meeting.

Section 3. Quorum.

A quorum for any meeting of the members shall be 100 voting members, including proxies.

Section 4. Proxy.

Any Corporate member of The Association may certify a management employee from his or her corporation, or a professional or principal from his or her firm, to serve in person as a proxy. Such a certified person shall have full power to vote as any other Corporate member. For purposes of this subsection, certification means a written letter to the chair designating the bearer of the letter as the personal proxy.

ARTICLE V**BOARD OF DIRECTORS****Section 1. Number.**

The Board of Directors shall consist of no more than ten (10) members. The ten (10) directors shall be the Chair, Vice Chair, Secretary-Treasurer, and Immediate Past Chair of The Association, and the chair of the State and Regional Chapters Council, the chair of the Advisory Committees Council, the Chair of the Association's affiliated 501(c)(3) foundation, the Employee Ownership Foundation, two (2) at-large representatives of Corporate members of the Board of Governors, and one (1) at-large Professional member of the Board of Governors.

Section 2. Quorum.

Five (5) members of the Board of Directors shall constitute a quorum for the transaction of business.

Section 3. Powers of Directors.

Subject to limitations of the Articles of Incorporation and other sections of these bylaws, all powers of The Association and the business and affairs of The Association shall be controlled by the Board of Directors. Without limiting the general powers, the Board of Directors shall have the following powers:

- (a) To interpret the Articles of Incorporation and the bylaws.
- (b) To select and remove all the other officers, agents, and employees of The Association, to prescribe powers and duties for them, and to fix their compensation.
- (c) To establish committees of the Board of Directors, and define their functions.
- (d) To conduct, manage, and control the affairs and business of The Association, and to make rules and regulations.

(e) To borrow money and incur indebtedness for the purposes of The Association, and for that purpose to cause to be executed and delivered, in The Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidence of debt and securities.

Section 4. Qualifications of Directors.

(a) The designated representative of a Corporate member of The Association in good standing, or Professional member will be eligible to be a member of the Board of Directors.

(b) A director must also be a member of the Board of Governors.

Section 5. Election and Term of Office.

(a) Election. Directors shall be elected by ballot of the Board of Governors prior to the annual meeting. The ballot shall include recommendations of the Nominating Committee.

(b) Term. Members of the Board of Directors will serve two (2) year terms except for the Chair of the Chapter Council and the Chair of the Advisory Committees' Chairs' Council.

Section 6. Unexpired Vacancies.

Vacancies occurring before the term of a director expires may be filled by a majority of the remaining directors, even if the majority is less than a quorum or by the sole remaining director. A director elected to an unexpired term shall serve until the term of the predecessor director expires. A vacancy may remain unfilled if the period of vacancy is less than one year.

Section 7. Time and Place of Meetings.

(a) Required Meetings. The Board of Directors shall meet at least four (4) times a year, once each quarter of the year. The Chief Staff Officer of The Association shall notify each Board member of each meeting no later than fourteen (14) days before the meeting.

(b) Other Meetings. The Board of Directors may call for other meetings of the Board of Directors, or all members of the Board of Directors may do likewise. The Chief Staff Officer of The Association shall notify each director of the time and place of any such meeting no later than fourteen (14) days before the meeting.

Section 8. Action without a Meeting.

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Action by written consent shall have the same force and effect as the unanimous vote of such directors.

Section 9. Board Indemnification.

(a) Any member of the Board of Governors or Board of Directors as well as any officer of a Chapter of The Association who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such individual is or was a Board member or officer of The Association or of a state chapter, shall be indemnified by The Association, to the fullest extent of the law, against expenses, judgments, fines, settlements and legal defense expenditures in connection therewith.

(b) Any indemnification under subsection (a) above shall be made only as authorized by The Association's Board of Directors in the specific case upon a determination that indemnification of such agent(s) is proper in the circumstances because such agent(s) have met the applicable standard of conduct of these bylaws. No individual shall be entitled to indemnification under this section unless, with respect to the conduct that is the subject of the proceeding, that person acted in good faith and in a manner that such person believed to be in the best interest of The Association and with due care and prudence.

(c) No individual shall be entitled to indemnification with respect to any claim as to which such person has been judged to be liable to The Association.

(d) The Association shall maintain directors and officer's liability insurance suitable to provide the Board of Governor and Board of Director members, officers of The Association, and its chapters with protection against liability asserted against or incurred in their conduct of duties as Board members or state chapter officers.

Section 10. Removal.

A majority of the directors may remove a director, for cause, from the Board of Directors.

Section 11. Compensation.

The Association shall not compensate members of the Board of Governors or the Board of Directors for their services as members of the two boards, nor reimburse any member of the two boards for expenses in connection with their services, except as authorized by the Board of Directors.

ARTICLE VI

EXECUTIVE COMMITTEE

Section 1. Number and Chair.

The Executive Committee shall consist of four (4) members. They shall be the Chair, Vice Chair, Secretary-Treasurer, and Immediate Past Chair. The Chair of The

Association shall serve as the Chair of the Executive Committee.

Section 2. Powers of Executive Committee.

In emergency situations that arise between the regular quarterly meetings of the Board of Directors, the Executive Committee shall have the power of the Board of Directors. If the Executive Committee does act as the Board of Directors in an emergency session, the Board of Directors must review any such action as the second item of the agenda at the next regularly scheduled meeting of the Board of Directors.

Section 3. Meetings.

The Chair or any other member of the Executive Committee shall designate the time and place of meetings. There is no requirement for any minimum number of meetings of the Executive Committee. The method of notifying members of any meeting shall be by written notice from the Chief Staff Officer of The Association.

Section 4. Reports.

The Executive Committee shall report its actions promptly to the Board of Directors.

ARTICLE VII

OFFICERS

Section 1. Officers.

The officers of this Association shall be a Chair, Vice Chair, Secretary-Treasurer, Immediate Past Chair, and The Association's Chief Staff Officer. All officers except for the Chief Staff Officer shall be members of the Board of Directors.

Section 2. Qualifications.

Except for the Chief Staff Officer, only a representative of a Corporate member may be an officer; and, except for the Chief Staff Officer, the members of The Association must have elected all officers to the Board of Governors.

Section 3. Nomination.

The Nominating Committee of The Association shall nominate all officers except for the Chief Staff Officer.

Section 4. Election.

The Board of Governors shall elect all officers, except the Chief Staff Officer, for terms of two (2) years by ballot.

Section 5. Vacancies.

The Board of Governors may fill any vacancy in any office other than that of the Chief Staff Officer.

Section 6. Chair.

The Chair shall preside at all meetings of the members, the Board of Directors, the Board of Directors, and the Board of Governors. The Chair shall serve on all committees and task forces, except standing advisory committees, as a non-voting ex officio member. The Chair shall be responsible for appointing all committees, both Advisory and otherwise, and shall supervise all committees. The Board of Directors may prescribe other powers and duties for the Chair. The Chair serves as the chief elected officer of The Association.

Section 7. Vice Chair.

In the absence or the disability of the Chair, the Vice Chair shall perform the duties of the Chair. The Board of Directors may prescribe other powers and duties for the Vice Chair.

Section 8. Secretary-Treasurer.

The Secretary-Treasurer shall ensure that The Association maintains complete records of the proceedings of the Board of Directors and Board of Directors, make necessary and proper service of notices, keeps proper records of its activities, and shall review the financial records of The Association monthly. The Board of Directors may prescribe other powers and duties for the Secretary-Treasurer.

Section 9. Immediate Past Chair.

The Immediate Past Chair is the person who last served as the Chair of The Association. If that person is unable to serve, then the most recently preceding Chair who is able to serve as the Immediate Past Chair shall hold that office. The Immediate Past Chair shall advise the Chair on all aspects of the Chair's responsibilities. The Board of Directors may prescribe other powers and duties for the Immediate Past Chair.

Section 10. Chief Staff Officer.

The Chief Staff Officer will be a full-time employee and officer of The Association. The Board of Directors shall select and approve the Chief Staff Officer, establish his or her title, oversee his or her work as the chief staff officer of The Association, prescribe other responsibilities and duties, and set his or her compensation.

Section 11. Compensation.

The officers, with the exception of the Chief Staff Officer, shall receive no compensation for their services as officers.

ARTICLE VIII

CHAPTERS AND CHAPTERS COUNCIL

Section 1. State and Regional Chapters.

The Association shall include state and regional groups. The state and regional groups shall be known as "State" or "Regional" Chapters of The Association.

Section 2. State and Regional Chapters Council.

The elected officers of the State and Regional Chapters of The Association shall be members of a State and Regional Chapters Council of The Association.

Section 3. Chair of State and Regional Chapters Council.

The State and Regional Chapters Council members shall select a chair of the Council. If the chair position is vacated, the Council or its Executive Committee shall select a person to serve as chair the remainder of the term. The chair of the State and Regional Chapters Council shall serve on the Association's Board of Directors, the Board of Governors, and the Nominating Committee.

Section 4. Purpose.

The purpose of the State and Regional Chapters Council is to promote the operations of State and Regional Chapters of The Association, and to facilitate effective coordination of Chapter activities, and The Association activities, in order to further the goals and objectives of the State and Regional Chapters and The Association.

Section 5. By-Law and Application To Chapters.

State and Regional Chapters of The Association are subject to these bylaws, and the policies and procedures established by The Association's Board of Directors.

ARTICLE IX

BOARD OF GOVERNORS

Section 1. Number.

The Board of Governors shall consist of no more than forty (40) members. The voting members of the Association shall elect to the Board of Governors no more than twenty-six (26) persons who represent Corporate members, and no more than six (6) persons who are Professional members. The chairs of The Association's Advisory Committees shall be members of the Board of Governors. The chair of the State and Regional Chapters Council shall be a member of the Board of Governors. There shall be one (1) honorary member of the Board of Governors, who may serve for life.

Section 2. Election and Term of Office.

(a) Election. The voting members shall elect all members of the Board of Governors except the chairs of the Advisory Committees, the chair of the State and Regional Chapters Council, the two (2) representatives of the Council, and the honorary member. Those not elected who are members of the Board of Governors serve as ex officio members with full voting power. Members will cast votes by mail ballot.

(b) Term. (I) Members elected to the Board of Governors shall serve three (3) year terms. Representatives of Corporate members may serve up to three (3) consecutive terms, or nine (9) years. Professional members may serve up to two (2) consecutive terms, or six (6) years. The ex officio members shall serve during the time they occupy the position entitling them to serve on the Board of Governors. The honorary life member may serve for life. (II) Members shall elect one-third of the Board of Governors each year, who are subject to election by the membership, except for a transition period. (III) If a member's last term ends before his or her term as an officer ends, that member may continue to be a member of the Board of Governors until the term as an officer ends. If that officer completes a term as Secretary-Treasurer or Vice Chair, the Nominating Committee may nominate him or her to be Vice Chair or Chair, and simultaneously nominate him or her to the Board of Governors without regard to his or her prior years of service on the Board of Governors. (IV) The Nominating Committee will nominate the Immediate Past Chair to serve on the Board of Governors for one of the twenty-six (26) elected Corporate member slots without regard to his or her prior years of service on the Board of Governors.

(c) Nomination. (I) The Nominating Committee shall submit names for election to the Board of Governors. (II) Any person qualified for service on the Board of Governors may have his or her name submitted to the membership for election if that person provides to the Chief Staff Officer of The Association a petition signed by fifty (50) voting members nominating the person to the Board of Governors. If the person nominated by petition represents a Corporate member, the person must also submit evidence that his or her employer consents to that person seeking election to the Board of Governors. (III) If, however, no nominations are made by petition, the Secretary-Treasurer shall cast a unanimous ballot for the membership for the nominees of the Nominating Committee. If a nomination(s) are made by petition, the Secretary-Treasurer shall ensure that a ballot is provided to all voting members with all nominees presented on the ballot for voting members to indicate their votes. Persons receiving the highest number of votes will be declared elected before the annual meeting of The Association.

Section 3. Qualifications of Board of Governor Members.

Voting members in good standing with The Association are eligible to serve on the Board of Governors.

Section 4. Honorary Governors.

The Board of Governors may elect and set the term of honorary governors. Honorary governors may attend all meetings of the Board of Governors and have the privilege of the floor.

Section 5. Time and Place of Meetings.

(a) Required Meeting. The Board of Governors shall meet at least once a year in conjunction with the Annual Meeting in the second quarter of each year.

(b) Other Meetings. The Board of Directors may call for other meetings of the Board of Governors, or all members of the Board of Governors may do likewise. The Chief Staff Officer of The Association shall notify each Board of Governor member of any such meeting no later than fourteen (14) days before the meeting.

Section 6. Power of the Board of Governors.

The Board of Governors shall elect and may remove the officers of The Association except the Chief Staff Officer, shall elect and may remove the at-large members of the Board of Directors of The Association, and shall select the at-large members of the Nominating Committee. The power to elect the officers named, the Board of Directors at-large members, and to select at-large members of the Nominating Committee are the only powers of the Board of Governors.

ARTICLE X**COMMITTEES****Section 1. Committees.**

The Chair of The Association, subject to the approval of the Board of Directors, may create committees and prescribe their functions, except for the Nominating Committee.

Section 2. Committee Membership and Appointment.

(a) The Chair shall appoint committee members and committee chairs subject to the approval of the Board of Directors. Committee members and chairs shall serve at the pleasure of the Chair.

(b) The Chair shall appoint committee chairs prior to the Annual Meeting for a term of one (1) year. He may reappoint a committee chair.

Section 3. Committee Oversight.

The Chair shall be responsible for supervising the work of the committees. Committee chairs shall report to the Chair, and shall submit a report to the Chair on committee activities at least thirty (30) days before the Annual Meeting.

Section 4. Advisory Committees and Advisory Committees Chairs' Council.

(a) A class of Association committees is "Advisory Committees."

(b) The current Chairs of the Advisory Committees, the current Chair of the Advisory Committees Chairs' Council, and the Immediate Past Chair of the Advisory Committees Chairs' Council will be the members of the Advisory Committees Chairs' Council.

(c) The members of the Advisory Committee Chairs' Council shall elect one member to be the chair of the Council or an immediate past chair of an Advisory Committee. If an Immediate past chair is selected to be Council Chair at the beginning of his or her second year as an immediate past chair of an Advisory Committee, he or she may be the Council Chair for the year following his or her service as an immediate past chair of an Advisory Committee. In the event the chair position is vacated, the Advisory Committee Chairs' Council shall elect a new chair to serve the remainder of the term.

Section 5. Nominating Committee.

(a) The Nominating Committee of The Association shall consist of the Immediate Past Chair, the Chair of The Association, the chair of the State and Regional Chapters Council, the Chair of the Advisory Committees Chairs' Council, one (1) at-large representative of a Corporate member of the Board of Governors, and one (1) Professional member of the Board of Governors. The Board of Governors will select the two at-large members of the Nominating Committee, and will consider recommendations from the prior election cycle Nominating Committee as to which at-large Board of Governor members should be considered.

(b) Terms.

(1) Officers. The Immediate Past Chair, the Chair of The Association, the Chair of the State and Regional Chapters Council, and the Chair of the Advisory Committees Chairs' Council shall serve on the Nominating Committee during the term of their office.

(2) At-Large Members. The at-large members from the Board of Governors shall serve one two (2) year term on the Nominating Committee.

(c) The Nominating Committee will make nominations for open at-large positions on the Board of Directors, the Board of Governors, and for The Association’s officers except the Chief Staff Officer.

ARTICLE XI

SECTIONS

(a) The Board of Directors may designate a subset of Association members as a Section.

(b) The Chair of The Association will appoint the chair of a Section. The Section’s Chair’s term will be one year, with a possible reappointment by The Association Chair for an additional one year.

(c) The Chair of a Section will be a member of the Board of Governors during his/her term as Chair of the Section.

ARTICLE XII

AMENDMENT OF BYLAWS

A majority of the Board of Directors may adopt new bylaws, amend the bylaws or repeal the bylaws.

ARTICLE XIII

CONTRACTS AND FINANCE

Section 1. Execution of Contracts.

The Board of Directors, except as otherwise provided in these bylaws, may authorize any officer or agent 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; and unless so authorized, 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 pecuniarily for any purpose or in any amount.

Section 2. Deposits.

The Board of Directors may select, or may delegate the selection to an officer or agent of The Association, banks, trust companies or other depositories to which all funds of The Association shall be deposited. The Board of Directors shall delegate the power of endorsement of deposits to the credit of The Association to any officer or agent, or such an endorsement may be made by hand-stamped impression in the name of The Association.

Section 3. Instruments of Indebtedness.

An officer or agent of The Association shall sign instruments of indebtedness of The Association, such as checks, drafts, notes, etc., in a manner prescribed by the Board of Directors.

Section 4. General and Special Bank Accounts.

The Board of Directors may authorize the opening and keeping of general and special bank accounts, and make rules with respect thereto, not inconsistent with these bylaws.

Section 5. Revenues.

Revenues from annual dues and from activities authorized by the Board of Directors shall maintain The Association. The Board of Directors may accept contributions.

ARTICLE XIV

MISCELLANEOUS

Section 1. Representation.

Either in person or by proxy, the Chair, Secretary-Treasurer, and Immediate Past Chair may vote, represent, and exercise any other rights incident to the voting securities of any other corporation standing in the name of The Association. The Board of Directors may authorize other officers to do the same.