

AMENDED AND RESTATED BYLAWS OF
IT GOVERNANCE INSTITUTE
A California Nonprofit Public Benefit Corporation

ARTICLE I.

Section 1. Name. The name of the corporation is IT Governance Institute (the “Corporation”).

Section 2. Principal Office. The Board of Directors of the Corporation (the “Board”) shall fix the location of the principal executive office of the Corporation at any place within or outside the State of California. The Board may, by resolution, change the principal office from one location to another. Additional offices may be established and maintained at such place or places as the Board may from time to time designate.

ARTICLE II.

Section 1. General Purpose. The Corporation has been formed under the California Nonprofit Public Benefit Corporation Law (“Corporations Code”) for the purposes described in the Articles of Incorporation. The Corporation is organized, and shall be operated exclusively, for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Section 2. Limitations. The Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Corporation, and the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501 (c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law. Except as permitted by law, no substantial part of the activities of the Corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, nor shall the Corporation participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE III.

MEMBERSHIP

Section 1. Members. The Corporation shall have no voting members, but the Board of Directors may, by resolution, establish one or more classes of non-voting members and provide for eligibility requirements for membership and rights and duties of members including the obligation to pay dues.

ARTICLE IV.

BOARD OF TRUSTEES

Section 1. Authority. The Board is the policy-making body and may exercise all the powers and authority granted to the Corporation by law.

Section 2. General Powers. Subject to the provisions of the law and any limitation in the Articles of Incorporation or Bylaws of the Corporation, the activities and affairs of the Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the Corporation to any person or persons, management company, or committee however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 3. Role in Governance. Without limiting Section 2 of this article, the role of the Board in the governance of the Corporation and its programs shall be as follows. The Board shall be generally responsible for ensuring the overall quality and integrity of the Corporation and its programs and operations in pursuit of its mission, as established by the Board. The Board shall be directly responsible for selection, retention and evaluation of the President; financial soundness of the Corporation; assessment of its own performance; and establishment of broad institutional policies, in consultation with such administrative staff, community representatives, or others, as may be desired or appropriate to the circumstances. The Board shall delegate to the President the daily management of the Corporation including the execution, administration, and implementation of such policies, subject to Board control and review. The Board's authority shall be collective, and no single Director shall have any role in the governance of the Corporation by virtue of being a Director.

Section 4. Number of Directors. The Board shall consist of not fewer than three (3) voting Directors and not more than seven (7) voting Directors. The exact authorized number of voting Directors shall be fixed from time to time, within those limits, by a resolution adopted by the Board.

Section 5. Limitations on Interested Persons.¹ At all times, no more than 49% of the Directors of the Corporation may be interested persons. An interested person means either:

- (a) any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director in his or her capacity as Director; or
- (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

¹ NTD: please note that this section tracks the language and requirements of the CA code.

Section 6. Composition of the Board.

- (a) The Board shall consist of only current directors of the Information Systems Audit and Control Association, Inc. (“ISACA” or the “Association”);

Section 7. Selection of Directors.

- (a) Directors shall be appointed by ISACA (the “Designator”).

Section 8. Term.

- (a) Unless specified otherwise at the time of appointment but not to exceed fifteen (15) months, each Director shall hold office for a term of one (1) year, or until the beginning of the term of his or her successor.
- (b) Such term shall begin at the close of the Association’s Annual Meeting following their election or appointment and shall conclude upon the beginning of the term of his or her successor unless otherwise specified at the time of the appointment of such Director.

Section 9. Annual Meeting and Regular Meetings. The Board may fix by resolution the time and place, within or without the State of California, for the holding, without other notice than such resolution, of regular meetings of the Board, including the regular Annual Meeting of the Board. Subsequent to the election of officers by the Association and prior to the Association’s Annual Meeting, the Board shall hold an Annual Meeting for the purpose of designating the officers, and the transaction of any other business. Notice of any change in the time or place of regular meetings shall be given to all of the Directors in the same manner as notice for special meetings of the Board.

Section 10. Special Meetings. Special meetings of the Board for any purpose or purposes may be called by the President, the Secretary, or by any two (2) Directors.

Section 11. Notice. Special meetings of the Board shall be held with at least forty-eight (48) hours’ notice delivered personally or by telephone including a voice messaging system or by electronic transmission by the Corporation to each Director at his or her address as shown on the records of the Corporation. If notice is given by first-class mail, such notice shall be deposited in the United States mails at least ten (10) business days before the time set for the meeting and shall be deemed delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by electronic transmission, such notice shall be deemed to be delivered when actually transmitted by the person giving notice by electronic means. Any notice given personally or by telephone may be communicated either to the Director or to a person at the phone and address on file with the Corporation for the Director whom the person giving the notice has reason to believe will promptly communicate it to the Director. Notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be filed with the

Corporation's records or made a part of the minutes of the meetings. The business to be transacted at the meeting shall be specified in the notice or waiver of notice of such meeting.

Section 12. Quorum and Adjournment. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business or any meeting of the Board, subject to the more stringent provisions of the Corporations Code, including, without limitation, those provisions relating to (1) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (2) approval of certain transactions between corporations having common directorships, (3) creation of and appointments to committees of the Board, and (4) indemnification of Directors. A majority of the Directors present, whether or not a quorum is present, may adjourn the meeting for twenty-four (24) hours or less without further notice. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 13. 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 shall individually or collectively consent to such action. Such written consents shall be filed with the minutes of the proceedings of the Board. Such written consents shall have the same force and effect as the unanimous vote of such Directors. For purposes of Corporations Code Section 5211(b) only, "all directors" does not include an "interested director" as defined in Corporations Code 5233(a) or a "common director" as described in Corporations Code Section 5234(b) who abstains in writing from providing consent, when (i) the facts described in Corporations Code Section 5233(d)(1) or (d)(2) are established or the provisions of Corporations Code Section 5233(a) or (b) are satisfied, as appropriate, at or before the execution of the written consent or consents; (ii) the establishment of those facts or satisfaction of those provisions is included in the written consent or consents executed by the non-interested or non-common directors or in other records of the Corporation; and (iii) the non-interested or non-common directors approve the action by a vote that is sufficient without counting the votes of the interested directors or common directors.

Section 14. Manner of Action. The act of a majority of the voting Directors present at a meeting duly held at which a quorum is present shall be the act of the Board, unless the act of a different number is required by law, the Articles of Incorporation, or these Bylaws.

Section 15. Director Voting. Excluding the President of the Corporation and the President of the Association, who shall be *ex officio* members of the Board without the power to vote, each Director shall have one vote on each matter presented to the Board for action. No Director may vote by proxy. Accordingly, a Director may not vote by designating another person or persons to vote on his or her behalf with respect to the voting power of such Director.

Section 16. Telephone and Electronic Meetings. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or electronic transmission by and to the Corporation so long as both of the following apply:

- (a) each Director participating in the meeting can communicate with all of the other Directors concurrently; and

- (b) each Director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to and vote on specific action(s) to be taken by the Corporation.

Section 17. Standard of Care.

A. General. A Director shall perform the duties of a Director, including duties as a member of any Board committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar conditions.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- (i) one or more officers or employees of the Corporation whom the Director believes to be reliable and competent as to the matters presented;
- (ii) legal counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
- (iii) a Board committee upon which the Director does not serve, as to matters within its designated-authority, which committee the Director believes to merit confidence;

so long as in any such case, the Director acts in good faith after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article VII below, an individual person who performs the duties of a Director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions that exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

B. Investments. Except with respect to assets held for use or used directly in carrying out the Corporation's charitable activities in investing, reinvesting, purchasing, or acquiring, exchanging, selling and managing the Corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of the Corporation's capital. No investment violates this section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to the Corporation.

Section 18. Vacancies. A vacancy shall occur in the event that the actual number of Directors is less than the authorized number for any reason, including the death, resignation removal or disqualification of any Director, unless the Board decreases the number of authorized

Directors in accordance with Article IV, Section 5 of these Bylaws. A Director appointed to fill a vacancy shall hold office during the unexpired term of his or her predecessor in office or until his or her successor assumes office. Any vacancy occurring on the Board shall be filled by a majority vote of Directors then in office.

Section 19. Compensation. The Board may authorize, by resolution, the payment to a Director of a reasonable fee for services, and/or the reimbursement or advance of actual and reasonable expenses incurred as a Director, including expenses of attending meetings of the Board and Board committees.

Section 20. No Interest in Assets. No Director shall possess any interest in any of the property or assets of the Corporation by virtue of his or her Director status.

Section 21. Removal. The Designator may remove any Director at any time, with or without cause by providing written notice of such removal to the Corporation. Any such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any removal shall take effect at the date of the written notice or at any later time specified in the Designator's written notice.

Section 22. Resignation. Any Director may resign at any time upon written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the Director is a party. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified by that notice unless otherwise specified in that notice. The acceptance of the resignation shall not be necessary to make it effective. The Board shall be given prompt notification of any such resignation.

Section 23. Parliamentary Authority. The rules contained in the parliamentary authority adopted by the Board of Directors shall govern the Corporation in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Corporation may adopt.

ARTICLE V.

OFFICERS

Section 1. Officers. The officers of the Corporation shall include a President, a Secretary, and a Treasurer, and such other officers with such titles and duties as shall be determined by the Board or the President. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President. Only current officers of the Association may be designated and serve as officers of the Corporation.

Section 2. Selection and Term of Office. At the Annual Meeting of the Board, or, in the case of vacancies, as soon thereafter as convenient, the Board shall designate each of the officers of the Corporation. Unless specified otherwise at the time of appointment but to exceed fifteen (15) months each officer shall hold office for a term of one (1) year or until his or her successor is duly elected and qualified by the Board. Such term shall begin at the close of the Board's Annual Meeting following their designation and shall conclude upon beginning of the

term of his or her successor. Notwithstanding the foregoing, the President may not serve more than two (2) consecutive terms.

Section 3. Removal. Two-thirds (2/3) of the voting Directors then in office may remove any officer at any time, with or without cause. Any such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any removal shall take effect at the date of the Directors' vote or at any later time specified in the Directors' resolution.

Section 4. Resignation. Any officer may resign at any time upon written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified by that notice and unless otherwise specified in that notice. The acceptance of the resignation shall not be necessary to make it effective. The Board shall be given prompt notification of any such resignation.

Section 5. Vacancies. The Board shall fill a vacancy in any office because of death, resignation, removal, disqualification or any other cause. An Officer appointed to fill a vacancy shall hold office during the unexpired term of his or her predecessor in office or until the beginning of the term of his or her successor. Any vacancy occurring shall be filled by a majority vote of Directors then in office.

Section 6. President. The President shall preside at all meetings of the Board, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws. When the President is not available to preside at a meeting, he or she shall designate a Director to preside for that meeting or in the absence of such designation, a majority vote of Directors then in office shall designate a Director to preside. The President is authorized to execute in the name of the Corporation all contracts and other documents authorized either generally or specifically by the Board to be executed by the Corporation, except when by law the signature of another is required.

Section 7. Treasurer. The Treasurer of the Corporation or his or her designee shall keep and maintain adequate and correct financial records of the Corporation and report on the financial condition of the Corporation to the Board. The Treasurer or his or her designee shall receive and deposit all money and other valuables belonging to the Corporation in the name of and to the credit of the Corporation and shall disburse the same in accordance with Board policies. Further, the Treasurer shall have such powers and shall perform additional duties as may be prescribed for him or her by the Board or these Bylaws.

Section 8. Secretary. The Secretary or his or her designee shall keep and maintain at the principal executive office of the Corporation or such other place as the Board may order, records of all proceedings of the Board, with the time and place of each meeting, whether regular or special, and, if special, how authorized, the notice thereof given and the names of those present. The Secretary or, if he or she is unable or unwilling, any other officer of the Corporation shall give or cause to be given notice of all the meetings of the Board required by these Bylaws or by statute to be given, and he or she shall cause the seal of the Corporation, if any, to be kept in safe custody. The Secretary shall provide for the safe custody of the valuable papers, books and records of the Corporation, and such papers, books and records shall at all times be accessible to the Directors. He or she shall have all of the powers and perform all of the duties incident to the office of

Secretary, and he or she shall have such further powers and shall perform such further duties as may be prescribed for him or her by the Board. In the absence of the Secretary from any meeting of the Board, the presiding officer shall appoint a Secretary pro- tempore.

ARTICLE VI.

COMMITTEES

Section 1. Committees.

A. Board Committees. The Board may, by resolution adopted by a majority of the Directors, create any number of Board committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board. The Board may delegate to the Board committees any powers of the Board, except for the powers to:²

- (a) set the number of Directors within a range specified in these Bylaws;
- (b) elect Directors or remove Directors without cause;
- (c) fill vacancies on the Board or on any Board committee;
- (d) fix compensation of Directors for serving on the Board or any Board committee;
- (e) amend or repeal these Bylaws or adopt new bylaws;
- (f) adopt amendments to the Articles of Incorporation of the Corporation;
- (g) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (h) create any other Board committees or appoint the members of any Board committees;
- (i) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of the Corporation;
- (j) expend corporate funds to support a nominee for Director if more people have been nominated for Director than can be elected;
- (k) approve any contract or transaction to which the corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the Corporations Code; and
- (l) delegate Board powers to others.

² NTD: except for (i) and (l), this section follows the restrictions set forth in the Corporations Code

B. Advisory Committees: The Board may establish one or more advisory committees to the Board. The members of any advisory committee may consist of Directors or non-Directors and may be appointed as the Board determines. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the Corporation, but shall be restricted to making recommendations to the Board or Board committees, and implementing Board or Board committee decisions and policies under the supervision and control of the Board or Board committee.

C. Meetings of Committees. All committees shall be governed by their Board-approved charter. Such charters will document committee charge, authority, responsibilities, composition, minutes and meeting rules. Minutes shall be kept of each meeting of any committee and shall be filed with the Corporation's records. The Board may adopt rules for the governance of any committee consistent with the provisions of these Bylaws. Appointments to any committee shall be made by any method determined by a majority vote of the Directors then in office.

D. Standing Committees. The Corporation shall have the following standing committee:

E. Audit Committee.³ For any tax year in which this Corporation has gross revenues of two million dollars (\$2 million) or more, the Corporation shall have an Audit Committee consisting of at least two (2) Directors, and may include nonvoting advisors. Directors who are employees or officers of the Corporation or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than as a Director) may not serve on the Audit Committee. The Audit Committee shall perform the duties and adhere to the guidelines set forth by their Board-approved charter. Such duties include, but are not limited to the following:

- (a) assisting the Board in selecting an independent auditor and recommending termination of the auditor, if necessary;
- (b) negotiating the auditor's compensation;
- (c) conferring with the auditor regarding the Corporation's financial affairs; and
- (d) reviewing and accepting or rejecting the audit and the resulting report(s) of the appointed auditors.

Members of the Audit Committee shall not receive compensation for their service on the Audit Committee. If the Corporation has a finance committee, a majority of the members of the Audit Committee may not concurrently serve as members of the finance committee, and the chair of the Audit Committee may not serve on the finance committee.

³ NTD: this section follows the requirements of California laws.

ARTICLE VII.

PROHIBITED TRANSACTIONS⁴

Section 1. Loans. The Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer. However, the Corporation may advance money to a Director or officer of the Corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such Director or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 2. Self-Dealing Transactions. Except as provided in Section 3 below, the Board shall not approve, or permit the Corporation to engage in, any self-dealing transaction. A self-dealing transaction is a transaction to which the Corporation is a party and which one or more of its Directors has a material financial interest, unless the transaction comes within Corporations Code Section 5233(b).

Section 3. Approval. The Corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the California Attorney General. The Corporation may also engage in a self-dealing transaction if the Board determines, before the transaction, that (a) the Corporation is entering into the transaction for its own benefit; (b) the transaction is fair and reasonable to the Corporation at the time; and (c) after reasonable investigation, the Board determines that the Corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made in good faith, with knowledge of the material facts concerning the transaction and the Director's interest in the transaction. Where it is not reasonably practicable to obtain approval of the Board before entering into a self-dealing transaction, the President of the Corporation may approve such transaction in a manner consistent with the requirements of this Section of these Bylaws; provided that, at its next meeting, the full Board determines in good faith that the President of the Corporation's approval of the transaction was consistent with the requirements in this Section of the Bylaws and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the Directors then in office without the vote of any interested Director.

Section 4. Excess Benefit Transactions. Prior to entering into any compensation agreement, contract for goods or services, or any other transaction with any person who was, at any time during the five-year period preceding the transaction, in a position to exercise substantial influence over the affairs of the organization (a "disqualified person"), the Corporation shall take the following precautions to ensure that the transaction is reasonable for purposes of Section 4958 of the Internal Revenue Code of 1986, as amended:

- (a) The Board or individuals authorized by the Board approving the transaction must not be related to or under the control of the disqualified person or persons involved in the transaction;
- (b) The Board or individuals authorized by the Board shall obtain and rely upon a "comparability study" indicating that the proposed transaction is

⁴ NTD: this article follows the restrictions set forth in the Corporations Code and the IRC.

reasonable when compared with similarly situated organizations for functionally comparable positions, goods or services rendered, taking into account the location of the organization and the availability of similar specialties in the geographic area; and

- (c) In approving the transaction, the Board or individuals authorized by the Board shall adequately document the basis for determining that the compensation is reasonable based upon the evidence presented.

ARTICLE VIII.

BOOKS AND RECORDS

The Corporation shall keep at its principal office the original or a copy of its Articles of Incorporation and Bylaws as amended to date. Furthermore, the Corporation shall keep adequate and correct books and records of account and shall also keep minutes of the proceedings of its Board and committees. Minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the foregoing. When minutes and other books and records are kept in a form capable of being converted into clearly legible paper form, the clearly legible paper form into which those minutes and other books and records are converted shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original paper record of the same information would have been, provided that the paper form accurately portrays the record. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, minutes, records and documents and to inspect the physical properties of the Corporation.

ARTICLE IX.

ANNUAL AND OTHER REPORTS⁵

Section 1. Annual Statement of Certain Transactions. The Corporation shall furnish annually to its Directors, within the statutorily required time frame after the close of the Corporation's fiscal year, a statement which briefly describes each of the following transactions, if any:

- (a) Any "covered transaction" during the previous fiscal year involving more than fifty thousand dollars (\$50,000), of which was one of a number of "covered transactions" in which the same "interested person" had a direct or indirect material financial interest, and which transactions in the aggregate involved more than fifty thousand dollars (\$50,000). The description of such "covered transactions" should include the names of the "interested persons" involved in such transactions, stating such person's relationship to the Corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided,

⁵ NTD: the reports set forth in this section are mandatory and follows the requirements of CA laws.

that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated; and

- (b) Any indemnification or advance aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or Director of the Corporation pursuant to the law providing for the indemnification of officers and Directors. The amount and circumstances of such indemnification should be stated.

Within the meaning of this section, a “covered transaction” with an “interested person” means a transaction in which the Corporation, its parent, or its subsidiary was a party, and in which either of the following persons had a direct or indirect material financial interest; any Director or officer of the Corporation, or its parent or subsidiary; or any holder of more than ten percent (10%) of the voting power of the Corporation, its parent or its subsidiary. A common trusteeship is not a material financial interest within the meaning of this section.

The statement required by this section shall be included in the report prepared pursuant to Section 2 of this article.

Section 2. Annual Report. The Board shall cause to be prepared within the statutorily required time frame after close of the Corporation’s fiscal year, for their own use and for whatever further use the Board may duly authorize, a report containing in appropriate detail the following information:

- (a) The assets and liabilities of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities during the fiscal year;
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year; and
- (e) Any information required by Section 1 of this article.

The report required by this section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

This requirement of an annual report shall not apply if the Corporation receives less than twenty-five thousand dollars (\$25,000) in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors and to any member who requests it in writing. If the Board approves, the Corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission.

ARTICLE X.

INDEMNIFICATION AND INSURANCE

Section 1. Right of Indemnity. To the fullest extent allowed by law, the Corporation shall indemnify and advance expenses to its agents, in connection with any proceeding, and in accordance with Corporations Code Section 5238. For purposes of this Article, “Agent” shall mean Directors, officers, employees, and other agents specifically authorized by the Board, and persons formerly occupying such positions; “proceeding” shall have the same meaning as in Corporations Code Section 5238(a), including any threatened action or investigation under Corporations Code Section 5233 or brought by the Attorney General; and “expenses” shall have the same meaning as in Corporations Code Section 5238(a), including reasonable attorneys’ fees.

Section 2. Approval of Indemnity. The Board shall promptly authorize indemnification in accordance with Corporations Code Section 5238(d) upon receipt of a written request by any Agent of the Corporation where the Agent has been successful on the merits of the case. If the Agent is not successful on the merits of the case, the Board shall promptly determine, by a majority vote of a quorum of Directors who are not parties to the proceeding (or if all Directors are parties to the proceeding, the court in which the proceeding is or was pending), whether the Agent has met the applicable standard of conduct stated in Corporations Code Section 5238(b) or Corporations Code Section 5238(c), and, if so, shall authorize indemnification to the extent permitted thereby.

Section 3. Advancing Expenses. To the fullest extent allowed by Corporations Code Section 5238 and except as otherwise determined by the Board in specific instances; the Board may authorize the advance of expenses incurred by or on behalf of an Agent of the Corporation in defending any proceeding prior to final disposition, if the Board finds that:

- (a) the requested advances are reasonable in amount under the circumstances; and
- (b) before any advance is made, the Agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the Agent is entitled to indemnification for the expenses under this Article.

The Board may determine, in its discretion, the terms and conditions of the undertaking whether it will be secured, unsecured, or whether interest will be charged on the obligation created thereby.

Section 4. Insurance. The Corporation shall have the right, and shall use reasonably commercial efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising from the officer’s, Director’s, employee’s, or agent’s status as such.

ARTICLE XI.

MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board.

Section 2. Amendment of Bylaws. New Bylaws may be adopted or these Bylaws may be amended or repealed by the approval of the vote of two-thirds (2/3) of the voting Board members present at a meeting at which a quorum is present. Proposed amendments to these Bylaws shall be submitted in writing to the Directors at least one week in advance of the Board meeting at which they will be considered for adoption.

If any provision of these Bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

The Board shall not have power to alter or amend the Bylaws in such manner as to permit any Director, officer, agent or employee of the Corporation ever to receive any compensation or any pecuniary profit from the operations of the Corporation (except reasonable compensation for services actually rendered to the Corporation and reimbursement of expenditures incurred in effecting one or more of its purposes), to receive any part of the property or assets of the Corporation upon its dissolution or termination, or to permit any part of the activities of the Corporation to consist of carrying on propaganda or otherwise attempting to influence legislation.

Section 3. Reimbursement of Expenses of the Corporation. The Corporation shall provide full reimbursement for monies reasonably expended on behalf of the Corporation in accordance with Board policies.

ARTICLE XII.

PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

No Director, officer, employee, or person connected with the Corporation, or member of any advisory committee or panel, or any other private individual or entity shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation; provided, that this shall not prevent the payment to any such person or entity of such reasonable compensation for services rendered to or for the Corporation in furtherance of any of its purposes as shall be fixed by the Board. No such person or entity shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation.

CERTIFICATE OF THE SECRETARY

I, Josephine M. Howard, hereby certify:

- (1) That I am the duly designated and acting Secretary of IT Governance Institute, a California nonprofit benefit corporation;
- (2) That the attached Bylaws, consisting of fourteen (14) pages, are a true and correct copy of the Bylaws of the Corporation, as adopted by the Board of Trustees on 9 March 2019; and
- (3) That these Bylaws have not been amended or modified since that date.

IN WITNESS WHEREOF, I have hereunto set my hand as of 9 March 2019.



Josephine M. Howard, Secretary