

EMPLOYERS ASSOCIATION OF NEW JERSEY

CONSTITUTION
&
BY-LAWS

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Article I. Name

This Association shall be known as the “Employers Association of New Jersey”, a nonprofit association.

Article II. Purpose

The purpose of the Association is to provide information, counsel, assistance, and training in the field of employer-employee relations that will assist employers in developing and implementing fair and responsible employment practices, to facilitate the exchange of information among employers and to provide a mechanism for the purchase of goods and services, especially liability insurance on a group basis for the liability or similar exposure of its’ members, whose businesses or activities are related with respect to the liability to which member participants are exposed, and to provide access to multiple employer welfare plans.

Article III. Membership

Section 1. Eligible members of this association shall be employers in any industry or business operating within the State of New Jersey, except that out-of-state employers or other employers may be eligible as an associate member to access multiple employer welfare plans and for other purposes, provided that association members have no implied or express rights under this Article, Articles VIII or Article IX or any other Article.

Section 2. Membership dues and other fees or assessments shall be such as may be fixed by the Board of Directors.

Section 3. All applications for membership shall be made to the President who shall submit them to the Board of Directors for approval or rejection at the sole discretion of the Board.

Section 4. The President shall notify members of dues as they become payable, and shall notify members of suspension and cancellation of membership for non-payment of dues after a reasonable period of time. The Board of Directors shall be informed of any member whose membership has been cancelled for such reason.

Section 5. Any former member may be readmitted to membership with the approval of the Board of Directors and upon such terms as the Board may determine.

Section 6. The Board of Directors shall have full power to suspend or expel any member of the Association for activities deemed adverse to the interests or objectives of the Association, provided, however, that before taking such action the Board of Directors shall give the member an opportunity to be heard.

Section 7. Members shall not directly solicit the membership in connection with the sale of products or services, unless otherwise approved by the Executive Committee.

Section 8. All those who accept membership in this Association thereby agree to be bound by its Constitution and By-Laws.

Article IV. Directors and Executive Committee

Section 1. There shall be a Board of Directors consisting of no more than fifteen members, seven of whom shall be elected at each Annual Meeting to serve until the third Annual Meeting following such election (unless elected to fill the balance of an unexpired term resulting from vacancy).

Section 2. Only representatives of Association members shall be Directors, and not more than one representative of an Association member shall serve on the Board of Directors at any given time.

Section 3. The Board of Directors shall be empowered to set policy for the Association, direct the management of its property, and insure that the Association's purpose is being carried out in such manner, not inconsistent with the Constitution and By-Laws, as it deems advisable.

Section 4. The Board of Directors shall appoint a President, whose responsibilities are more fully described herein and who shall serve at the pleasure of the Board of Directors. The President shall be a voting member of the Board of Directors, provided however that the President shall not vote when, in the judgment of the Executive Committee, such vote would involve a conflict of interest.

Section 5. There shall be an Executive Committee of the Board of Directors consisting of five Directors, three of whom shall be officers of the Association. The Executive Committee may act in place of the Board of Directors in the interim between meetings of the Board; provided, however, that the Executive Committee may not:

- (1) make, alter or repeal any bylaw of the Association;
- (2) elect or appoint any Director, or remove any officer or Director; or
- (3) amend or repeal any resolution previously adopted by the Board.

The Executive Committee may also act as an advisory committee to the Board of Directors and to the President, and shall report to the Board of Directors all action authorized or taken by it.

Section 6. Directors shall keep confidential all of the Association's proprietary information which shall include, without limitation, the Association's membership list, discussion at Board meetings and all financial information; provided, however, that the membership list shall be made available for inspection by any qualified member upon proper written demand in accordance with law.

Section 7. There shall be a category of Board member known as a *Board Member Emeritus* who is nominated and elected by the Board of Directors or the membership.

Board members emeritus shall be selected from those board members who have served on the Board of Directors with distinction and excellence. Emeritus members shall serve three (3) year renewable terms for as long as they remain active in the work of the Association, and may end their term at any time. A Board member emeritus shall not be counted in determining if a quorum is present at a meeting, entitled to hold office, or entitled to vote at any board meeting.

Article V. Nomination, Election and Removal or Resignation of Directors and Officers

Section 1. Directors shall be nominated and elected in accordance with the following procedures:

- a. At least thirty days prior to the Annual Meeting, the Chair shall appoint a Nominating Committee of three Directors of the Association. This Nominating Committee shall, to the extent possible, name one candidate for each vacancy in the Board of Directors. At least 15 days before the Annual Meeting, the President shall report by mail to all members the names, titles, and business affiliations of such nominees.
- b. Any five members of the Association jointly may make nominations for Directors by sending to the President signed, written notice of such nominations at least ten days before the Annual Meeting.
- c. The candidates of the Nominating Committee and the nominations from the membership, if any, shall be presented to the Annual Meeting for election by voice vote unless a member demands election by ballot at the meeting before voting begins. If any member requests election by ballot, a written ballot shall be taken and the President shall appoint two tellers at the Annual Meeting to count the ballots and report the results of the election. Directors shall be elected at the Annual Meeting by a plurality of the votes cast.
- d. Vacancies in the Board of Directors shall be filled only for the balance of the term of the vacated Directorship. Those vacancies which occur less than two months before the Annual Meeting shall be filled pursuant to the provisions of this section. Those which occur two months or more before the Annual Meeting may be filled, at the option of the Board of Directors, either by the Board of Directors or pursuant to the provisions of this section.

Section 2. Subsequent to the adjournment of the Annual Meeting, the Board of Directors shall convene for the election of officers and the members of the Executive Committee. The Board shall elect from among its members a Chair, two Vice Chairs, and a Secretary/Treasurer of the Association, and three other members who, with the officers named and the President, shall constitute the Executive Committee of the Board of Directors.

Section 3. Nominations of officers and of members of the Executive Committee (other than officer-members of such Committee) shall be made by the Nominating Committee, or in such other manner as the Board of Directors shall determine. However, the outgoing Chair shall be an Executive Committee member for at least one year following the expiration of the Chair's term of office, provided such person remains a member of the Board of Directors during that year.

Section 4. The foregoing officers and Executive Committee members shall serve until the next Annual Meeting following such election.

Section 5. If a two-thirds majority of the full Board finds that a Director has acted in a manner that a reasonable person would believe to be adverse to the interests of the Association, the Board shall have the power, after giving the Director an opportunity to be heard, to remove such Director and, as herein provided, to appoint a replacement Director. A Director may also be removed for cause by affirmative vote of a majority of the members entitled to vote for the election of Directors.

Section 6. The Board will accept a voluntary resignation from any Director at any time.

Article VI. Authority and Duties of Officers and Staff Members

Section 1. The Chair shall preside at all meetings of the Board of Directors and at the Annual Meeting. The Chair shall be empowered to supervise and direct the work of each officer or committee of the Association and to enforce the Constitution and By-Laws. The Chair shall cast the deciding vote at any meeting where there is a tie. With the approval of the Board of Directors, the Chair may appoint committees and shall be an ex-officio member of such committees.

Section 2. In the event of a vacancy in the office of the Chair, or if the Chair is unable to perform his duties due to absence or otherwise, such duties shall be performed by either Vice Chair or, if neither is available, by the Secretary/Treasurer.

Section 3. The President shall have executive charge of the staff and of the affairs of the Association, shall be responsible for the keeping of full and accurate records and shall perform such other duties as may be assigned by the Board of Directors or Executive Committee. The President shall receive all moneys of the Association, depositing them on behalf of the Secretary/Treasurer.

Section 4. Employees of the Association to whom the President may delegate the handling of moneys belonging to the Association, the holding of vouchers, the keeping of accounts, and the making of financial reports to the Board of Directors shall perform these duties subject to the direction of the Secretary/Treasurer. Such disbursements for conducting the business of the Association as may be ordered or approved by the Board of Directors at its meetings shall be made on the signature of any two of the Secretary/Treasurer, the Chair, and the President, except that the Board may authorize the President to make disbursements up to a specified maximum amount upon his sole authority.

Article VII. Finance Committee

There shall be appointed annually by the Chair, subject to confirmation by the Board of Directors, a Finance Committee consisting of three Directors. It shall be the responsibility of the Committee to take such action with respect to the Association's investments and assets as may be authorized by the Board of Directors.

Article VIII. Meetings

Section 1. The Annual Meeting shall be held on such date, within the first half of each calendar year, as the Board of Directors shall designate. Written notice of the date, hour and place of such meeting shall be mailed by the President to the members of the Association not less than 10 nor more than 60 days prior to the designated meeting date. The members present shall constitute a quorum for the purpose of conducting the business of the Annual Meeting.

Section 2. At the Annual Meeting of the Association, the Secretary/Treasurer or the Secretary/Treasurer's designee shall render a report, after having the accounts and financial records of the Association audited by a Certified Public Accountant.

Section 3. Special Meetings of the Association may be called by the Chair, or on written request of ten percent of the members of the Association directed to the President, such call to be by written notice mailed not less than 10 nor more than 60 days prior to the designated meeting date and specifying the purpose or purposes for which said meeting is called and its time and place.

Section 4. Each member shall be entitled to one vote at Special Meetings, and fifty members of the Association shall constitute a quorum for the transaction of business at any such meeting.

Section 5. Regular meetings of the Board of Directors shall be held at least quarterly, at such time and place as may be decided by the Board. Committee and other meetings shall be held at the call of the Chair or on the written request, directed to the President, of a majority of the members of the Executive Committee. Meetings may be held via teleconference or by other electronic means and votes may be cast telephonically or electronically.

Section 6. Six members of the Board of Directors shall constitute a quorum for the transaction of business.

Section 7. The Executive Committee shall meet upon the call of the Chair. Three members shall constitute a quorum for the transaction of business.

Article IX. Association Property

Section 1. Except as stated in the next section, the title to and ownership of all property belonging to this Association shall be vested in the Association. No resignation or expulsion of any member shall create or vest in such member any right to any portion of such property, nor to the repayment of any sum that such member may have contributed to the Association as dues or otherwise.

Section 2. If the Association should dissolve and wind up its affairs, any remaining assets then owned by it shall be distributed among those who are members in good standing and who have been such for 12 months or more, in the ratio that the amount of dues payable by each such member for the preceding 12 months bears to the total net assets of the Association at the time of the distribution.

Article X. Indemnification

Section 1. Subject to the limitations set forth below, whenever any proceeding shall be instituted against a person who is or was an officer, director, or employee of the Association for any action or omission arising out of or in the course of the performance of the responsibilities set forth under the By-laws or under law, the Association shall indemnify such person against his or her liabilities and expenses incurred in such proceedings and shall save harmless and protect such person from any liabilities and expenses resulting from the proceeding; provided, however, that the Association's obligation to indemnify shall be limited to those amounts not covered or provided by liability insurance purchased by the Association.

"Proceeding" means any pending, threatened or contemplated civil, criminal, administrative or arbitration action, suit or claim, and any appeal therefrom, and any inquiry or investigation conducted in connection with any such claim.

"Liabilities and expenses" means amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties, and includes reasonable counsel fees.

Section 2. The Association shall purchase appropriate liability insurance at reasonable rates consistent with carrying out the purpose of this Article.

Section 3. The Association shall not be responsible to indemnify any of the aforesaid persons if:

- a. The act or omission complained of was not within the scope of his or her authority, or
- b. The act or omission complained of resulted from fraud, willful misconduct, malice, or a reckless or callous indifference to the rights of the complainant; provided, however, that the Board of Directors shall have the discretion, consistent with the Association's insurance contracts, to indemnify the aforesaid persons from such allegations, or
- c. The person charged has failed to deliver to the Secretary/Treasurer or Chair within ten (10) days of the time he or she is served with any summons, complaint, process notice, demand or pleading, the original or copy of such document (unless the Association is not prejudiced by such failure), or thereafter, fails to cooperate with the Association in the defense of the matter.

Section 3. Nothing in this Article shall be construed to limit or replace any rights which any former or current director, officer, or employee may have under law.

Article XI. Limitation of Liability

Under no circumstances shall the Association, its officers, directors, or employees, be liable to a member or associate member of the Association for consequential, special or punitive damages arising out of any error, omission or breach of duty, the sole remedy limited to the return of annual membership dues.

Article XII. Amendments

The constitution and By-laws may be amended either by the vote of two-thirds of the members of this Association present and voting or by vote of two-thirds of the members voting by letter ballot; provided that written notice containing a copy of the proposed amendment shall have been mailed to the members of the Association at least ten days prior to the date upon which the vote on the proposed amendment shall be taken. The requirement as to notice shall not apply to amendments to proposed amendments when made at an Association meeting at which a vote on the amendment is to be taken.

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