

Operating Principles for Chapters of the NATIONAL DEFENSE INDUSTRIAL ASSOCIATION (NDIA)

1. **NAME:** The name of the organization shall be the _____ **Chapter** of the National Defense Industrial Association (hereafter called the Association.)
2. **PURPOSE:** Chapters provide local geographic focus to further the objectives and policies of the Association as set forth in its By Laws by:
 - a. Supporting current programs and activities of the Association.
 - b. Providing a means for liaison with local U.S. government agencies and personnel.
 - c. Encouraging and facilitating the exchange of information between industry, military, and government with particular reference to national security and defense preparedness.
 - d. Pursuing an active program in support of Association membership recruitment and retention efforts.
3. **ESTABLISHMENT OF AUTHORITY**
 - a. **Establishment Authority.** The Chapter is an integral part of the Association. It derives its existence, authority and fiscal tax status from the Articles of Incorporation and By Laws of the NDIA.
 - b. **Chapter Establishment.** In order to be a chapter, the entity must meet the requirements set forth in the NDIA or WID Chapter Manual.
 - c. **Operating Principles.** The Chapter must agree to, and the President sign, these Operating Principles annually. The signed document will be submitted to the Association by October 1 of each year. Effective October 1, 2017, this document shall replace and supersede all prior Chapter Bylaws.
4. **POLICY:** Actions, programs and public statements of the Chapter will conform to the policies and objectives in the Association's Chapter Manual and other official expressions of Association policy. Nothing in these Operating Principles or elsewhere shall be construed so as to authorize any action that does not further the stated policies and objectives.
 - a. **Use of Logo.** Use of the NDIA/WID logo is authorized only by those members of the Chapter conducting official business of the Organization or Chapter and in accordance with the policies established by the NDIA.
 - b. **Official Expressions.** Actions, programs and public statements of the Chapter must conform to the policies established by the NDIA.
 - c. **Membership List.** Contact information for members is to be used only for Association purposes and shall not be made available to any other organization for any purpose.
 - d. **Antitrust Statement.** The National Defense Industrial Association (NDIA) is committed to strict compliance with federal and state antitrust laws. Accordingly, the following guidelines apply to any

meeting or other activity conducted under the auspices of NDIA and this statement shall be included in meeting agendas or materials:

The NDIA has a policy of strict compliance with federal and state antitrust laws. The antitrust laws prohibit competitors from engaging in actions that could result in an unreasonable restraint of trade. Consequently, NDIA members must avoid discussing certain topics when they are together – both at formal association membership, board, committee, and other meetings and in informal contacts with other industry members: prices, fees, rates, profit margins, or other terms or conditions of sale (including allowances, credit terms, and warranties); allocation of markets or customers or division of territories; or refusals to deal with or boycotts of suppliers, customers or other third parties, or topics that may lead participants not to deal with a particular supplier, customer or third party.

- e. **Copyright Policy.** NDIA and its affiliates do not permit or condone copyright infringing activities by its staff, or by its members or other volunteers when engaged in NDIA activities. The Chapter shall adopt and conform to NDIA's Copyright Policy.
- f. **Other Required Policies.** The Chapter shall adopt and conform to NDIA's **Suspected Misconduct** and **Records Retention** policies.

5. MEMBERSHIP AND DUES

- a. **Membership.** Chapter membership is granted by the National Headquarters to persons in applicable membership categories of the Association who are current members and whose address is in the geographical area assigned to the Chapter by the Association. Individuals may be assigned membership in multiple chapters. However, only membership in one chapter may be considered as it applies to voting on national matters.
- b. **Dues.** The annual fee paid for Association membership by an individual or corporation includes Chapter membership.

6. STRUCTURE

- a. **Board of Directors.** Chapters shall establish a Board of Directors which shall manage the business and affairs of the Chapter. This Board does not have fiduciary responsibility, but by execution of these Operating Principles, agrees to abide by the guidelines herein. The Board shall, during the last quarter of the accounting year, establish the number of Directors for the following year. No company shall have more than one representative on the Board.
- b. **Officers.** The Board of Directors shall designate Chapter officers. These should include President, Secretary, Treasurer, with other officers as deemed necessary. The officers shall have such duties as generally pertain to their offices as well as duties conferred by the President. The President shall be responsible for chairing the Chapter Board meetings. The Secretary shall be responsible for recording the deliberations and actions taken by the Board in carrying out its duties. The Treasurer shall be responsible for finances and financial management practices of the Chapter.

- c. **Committees.** Committees may be appointed to assist the Chapter in the performance of its duties.
 - d. **Meetings.** The Board of Directors shall meet at least annually and thereafter as deemed necessary by the President or a simple majority of the Directors.
 - e. **Quorum.** A quorum of the Board of Directors is constituted by a simple majority of the number of Board members.
 - f. **Removal.** Any officer or Director may be removed with or without cause by a resolution passed by affirmative vote of a majority of all the Directors.
7. **MEETINGS:** The Chapter shall meet at least once annually. Other meetings of the members may be called at any time by the President or the Board of Directors or a majority thereof, or by not less than one-third of the members. At any meeting of the members, each member entitled to vote shall have one vote, in person or by proxy.

8. ELECTIONS

- a. **Nominating Committee.** At least three months prior to the Annual Meeting of the chapter, the Chapter President, with the approval of the Chapter Board, shall appoint a nominating committee of at least three members. The most recent Past President shall serve as the Chairman of the Nominating Committee. The Nominating Committee shall present its slate to the Annual Meeting. The election of Officers and Directors shall take place at the Annual Meeting and shall be by voice vote of the members present unless otherwise specified by the Board of Directors.
- b. **Terms.** Directors will be elected for a term of two years. Approximately one-half of the Directors shall be elected each year. Director vacancies may be filled at any time during the year by a majority vote of the remaining directors.
- c. **Officers.** Officers will be elected for a period of one year. No one shall serve more than two consecutive one-year terms as any one Officer position. In the absence of the President, those duties shall devolve upon the Vice Presidents in their order of seniority of service, and in their absence, Treasurer, and, in turn, Secretary; in the absence of any Officer, upon a member of the Board of Directors in order of seniority.
- d. The NDIA encourages inclusiveness and diversity on its Chapter Boards. Chapters should also use Board or Committee positions as opportunities to mentor future leaders.

9. FINANCES

- a. **Fiscal Year.** The fiscal year of the Chapter shall be the same as the fiscal year of the Association (October 1-September 30).
- b. **Financial Records.** The financial records of the Chapter shall be kept in a manner generally deemed acceptable for such organizations and shall be reviewed by an impartial Finance Committee or audited by independent audit firm, at least annually at the end of the fiscal year. The Finance Committee

should consist of at least three persons appointed by the President from within the general membership and approved by the Board of Directors.

- c. **Financial Reports.** The Chapter will provide to the Association the annual review or the independent audit report and management letter. The Chapter Manual identifies financial reports that are to be submitted quarterly and/or annually. If a Chapter chooses to obtain a GAAP audit performed by an independent audit firm by a certified public accountant, and provides to National a copy of the audit report and management, it may petition the Association to waive the interim reporting requirements.
 - d. **Other Reports.** Additional reports may be rendered as deemed necessary by the Chapter or directed by the Association. A report for tax purposes will be rendered in a format and time as requested by the Association President or designee.
 - e. **Signature Authority.** Signatories on all contracts, checks, notes, drafts and other orders for the payment of money must be authorized in writing by the Board of Directors. The Chapter President shall provide a list of authorized signers to the NDIA Finance Department whenever there is a change, but on at least an annual basis. The NDIA Chief Operating Officer shall be an official signer for all cash and investment accounts and shall have access to review all account transactions.
 - f. **Fiscal Responsibility.** The Association has ultimate fiscal responsibility for the Chapter. Accordingly, the Chapter shall not, without approval of the Association President, enter into a contract or agreement that exceeds the Chapter's ability to meet expenses. A copy of all signed agreements shall be maintained by the Chapter Treasurer and presented upon request to NDIA National.
 - g. **Obligations.** Obligations incurred by the Chapter *in performance of its duties as a part of the NDIA* shall be solely Chapter obligations and no personal liability whatsoever shall attach to, or be incurred by any member, officer, or director of the Chapter.
 - h. **Administrative Expenses.** The necessary routine administrative expenses of the chapter shall be met from the proceeds of chapter meetings and activities. Expenses for specific projects not directly related to the business and policy aspects of government-industry interface will be paid for principally from the proceeds of events expressly advertised as fund raisers.
 - i. **Employees.** Chapters shall not hire employees. If a chapter hires an individual or a company as a contractor to support the chapter on a project basis, it must provide supporting documentation in accordance with the requirements in the Finance & Business Practices section of the Chapter Manual.
10. **COORDINATION OF EVENTS:** To facilitate de-confliction of speakers' schedules, the Chapter will coordinate with national headquarters whenever it intends to invite a significant speaker from a federal agency *or* intends to invite speakers or participants from outside the Chapter's geographical area. A significant speaker includes: Cabinet Members, Members of Congress, DASD's, Joint Chiefs of Staff (JCS), Combatant Commander's (COCOM), 4 and 3 Star Flag Officers, Members of the Senior Executive Service (SES), President's/Chief Executive Officers (CEO)/Chief Financial Officer (CFO)/Chief Operation Officer (COO)/top level executives of private industry.

11. **AMENDMENTS:** The Chapter may not make amendments to the Operating Principles. Amendments may be proposed to the Association by the Chapter President.
12. **DISSOLUTION:** The Association may dissolve a chapter with or without cause in accordance with the Association's Chapter manual. Upon dissolution of the Chapter, all monies and assets will be returned to the National Defense Industrial Association within 30 days of Board decision.
13. **EFFECTIVE DATE:** These Operating Principles and any amendments thereto are in effect when signed by the Chapter President acting with the approval of the Chapter Board of Directors, and the Association President acting in accordance with the advice and direction of the Association Executive Committee.

Approved _____
Chapter President

Date _____

Approved _____
Herbert J. Carlisle
NDIA President
General, USAF (Ret.)
President and CEO

Date _____