

Alteration to the Bylaws of The Simulation Interoperability Standards Organization, Inc., Article II, Section 1.

In accordance with the Bylaws of The Simulation Interoperability Standards Organization, Inc. Article IX, Section 2. Amendment by Directors, the Board of Directors makes the following alteration to Article II, Section 1. Directors and Terms of Office:

Section 1. Directors and Terms of Office: Unless otherwise required by the Articles of Incorporation, Florida Statutes, or other applicable law, the Board of Directors shall consist of not less than three (3) nor more than eleven (11) persons, all of whom shall be over eighteen years of age and at least a majority of whom shall be citizens of the United States.

The exact number of directors may be fixed, increased, or decreased by a resolution duly adopted by the members or the Board of Directors; provided, however, that any decrease in the number of directors that otherwise would shorten the term of any Director then incumbent shall not take effect as to that Director's seat until the expiration of his or her term or his or her earlier resignation, removal, or death. The directors shall be elected for a **two-year** term, ending upon the date of the **second** annual meeting of the membership, but shall hold office until their successors are elected or appointed and have qualified, or until their earlier resignation, removal, or death. Whenever required by law, or deemed necessary or appropriate by the Board of Directors, the Board of Directors by resolution may specify reasonable qualifications of directors for election to any seat or all seats of the Board.

Approved by Board of Directors, 22 Aug 2011:

James M. McCall, Chairman
Steven Swenson, President
Joey Fann, Vice President
David Drake, Secretary
Dannie Cutts, Treasurer

**Background Information
On
Proposal to Improve SISO Inc. Board of Directors Effectiveness
Thru
Providing for Continuity of BOD Membership**

SISO Incorporated: *SISO is registered in the State of Florida as a Not-For-Profit organization known as the "Simulation Interoperability Standards Organization, Inc." (SISO, Inc.). SISO Inc. is governed by the Articles of Incorporation and Corporate Bylaws and has corporate, legal, and fiscal responsibility for SISO operations. This non-profit corporation serves as the legal entity empowered to enter into contracts and other financial agreements as required to further the goals of SISO. SISO Inc. delegates the establishment of policy and procedures to the Executive Committee EXCOM and the management of SISO processes and activities to the EXCOM, Conference Committee (CC) and Standards Activity Committee (SAC). The SISO, Inc. Board of Directors (BOD) coordinates with the EXCOM to ensure that the overall goals of SISO are being met.*

SISO, Inc. was established as a separate entity from the general organization and membership of SISO in recognition of legal restrictions placed on government employee participation in the business of private organizations. SISO, Inc. has established a process to invite elected members of the EXCOM, CC, and SAC who have verified their ability to serve with their organizational management to be members of SISO, Inc. in addition to their service on their committee. The membership of SISO, Inc. elects a Board of Directors to manage the corporate, legal, and fiscal business of SISO. (SISO-ADM-002-2011, Section 6.1)

Motivation for Establishing Continuity: There are two factors that have encouraged the SISO Inc. Board of Directors to consider the need to provide for continuity of BOD membership.

- Historically, while the Board of Directors had the responsibility for managing the financial and contractual activities of SISO Inc., from 1999 through 2009, the BOD activities were primarily managed by a single President who was elected as Director by the SISO Inc. membership each year and was subsequently elected as President by each BOD. Additionally, from 2002 through 2009, SISO finances were managed by a single Treasurer who was elected as Director by the SISO Inc. membership each year and was subsequently elected as Treasurer by each BOD. As a result, the full BOD only met for their annual meeting, elected their officers, and then turned over daily operations primarily to the Treasurer with the President providing oversight. In 2008, the BOD identified improprieties with the financial management of SISO Inc., and SISO Inc. voted a complete replacement of the BOD membership in 2009 and in 2010, only 2 of the five members of the BOD were reelected.
- For several years the continuing operating and associated financial challenges that SISO is undergoing have driven a higher level of activity

required from the Directors. Since many of the decisions required of the BOD have multi-year implications and may require multi-year implementations, the 2010-2011 BOD has identified a requirement to provide for continuity of BOD membership across multiple years.

Optional Approaches for BOD Continuity: The BOD has considered two approaches to maintaining continuity across multiple years:

- The 2009-2010 Board of Directors, faced with a complete turn-over of BOD membership and also facing the need to address major problems with SISO Inc. operations took two approaches:
 - Requested the previous BOD members to monitor the BOD reflector and to help the new BOD with on-going actions. This included two previous directors continuing to implement actions through completion and transition.
 - Adopted the approach of appointing the Executive Director as Assistant Treasurer with responsibilities for daily operations under oversight from both the Treasurer and President. This approach was continued under the 2010-2011 BOD.
- The 2010-2011 Board of Directors, while continuing the approach of appointing the Executive Director as Assistant Treasurer, recognized that there continued to be a need for continuity for BOD membership, similar to the approach used by the EXCOM, CC, and SAC. The BOD believes this more formal approach is better than being dependent on past members of the BOD to support a current BOD. This proposal envisions Directors serving 2-year terms with offset elections.

Implementation of the BOD Continuity Approach: The selection and operations of the Board of Directors is defined in the Bylaws of SISO Inc. and in the Standing Resolutions of SISO Inc. These documents have been reviewed and the appropriate sections quote below with the requirements for revisions identified.

Bylaws of SISO Inc.: Article II, Directors, provides the bylaws covering the selection of the directors and the operations of the Board of Directors.

Section 1. Directors and Terms of Office: Unless otherwise required by the Articles of Incorporation, Florida Statutes, or other applicable law, the Board of Directors shall consist of not less than three (3) nor more than eleven (11) persons, all of whom shall be over eighteen years of age and at least a majority of whom shall be citizens of the United States.

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Requirement: Revise this section to address multi-year terms.

No other changes to the Bylaws of SISO Inc. have been identified to implement this proposal.

The SISO Inc. BOD has historically used Standing Resolutions to govern daily operations not covered by the Bylaws. After reviewing the standing resolutions, we believe a revision to Standing Resolution 8.97-4 is required.

Requirement – Develop revision to SR 8.97-4 to define details of offset elections.

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Resolved that SISO Inc Standing Resolution 8.97-4 be amended as follows:

Board of Directors elections shall be conducted as follows:

Board of Directors Nomination Invitation: Each year, the membership of SISO, Inc. shall be invited to submit self nominations for candidacy for the Board of Directors election to be held at the annual meeting of the corporation. This invitation shall be extended after or in conjunction with the addition of new members to the corporation (see Standing Resolution 8.97-3) but before 15 days prior to the annual membership meeting.

Board of Directors Nominees: The current Board of Directors shall review self nominations for Director candidacy. If the nomination is in compliance with the SISO corporate bylaws and associated standing resolutions, the nomination shall be approved for the Board of Directors election to be held at the next annual meeting of the corporation. Approval of nominations shall take place no later than 10 days prior to the annual membership meeting.

Inspector of Elections: An inspector of elections shall be appointed for the annual meeting no later than 5 days prior to the annual meeting. This may be accomplished via email.

Director Elections: Director Elections shall be conducted by the Inspector of Elections during the SISO corporate annual meeting. The Inspector shall tally ballots and report the results to the membership by the end of the annual meeting.

Director Continuity: Directors are elected to staggered two-year terms with approximately one-half of these terms expiring every year.

1. **2011 Director Elections:** At the 2011 SISO Inc. Annual Meeting, there shall be two elections of directors. Three (3) directors shall be elected for a two-year term and two (2) directors shall be elected for a one-year term. The Nomination Invitation for these elections shall request self-nominations for either the two-year term of office or the one-year term of office.
2. **Director Vacancies:** Vacancies occurring due to resignation, removal, or death during a term of office shall be filled in accordance with the Bylaws of The Simulation Interoperability Standards Organization, Inc., Article II, Section 4. Vacancies occurring due to resignation, removal, or death of a member(s) with a non-expiring term of office in conjunction with a SISO Annual Meeting shall be filled by a Special Election of Director(s) to complete the unexpired term(s) of office. Procedures for the Special Election shall be in accordance with this resolution.

Approved by Board of Directors, 22 Aug 2011:

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