



Two Park Avenue

tel 1.212.591.7000

New York, NY

fax 1.212.591.7674

10016-5990

U.S.A.

www.asme.org

**AGENDA
2019 – 2020 BOARD OF GOVERNORS**

**Tuesday, May 19, 2020 – 1:00 pm to 3:00 pm (EDT)
Conference Call**

1. Opening of the Meeting (Start Time 1:00 pm)

- 1.1. Call to Order
Rich Laudenat
- 1.2. Adoption of the Agenda ACTION
- 1.3. President's Remarks (10 minutes) DISCUSSION
Rich Laudenat
- 1.4. Executive Director/CEO's Remarks (10 minutes) DISCUSSION
Tom Costabile
- 1.5. Consent Items for Action ACTION
Identification of items to be removed from Consent Agenda
Consent Items for Action are items the Board is asked to take action on as a group. Governors are encouraged to contact ASME Headquarters with their questions prior to the meeting as it is not expected that consent items be removed from the agenda.
 - 1.5.1. Approval of Minutes from April 9, 2020 Meeting
 - 1.5.2. By-Law Amendment – Nominating Committee, Adopt
 - 1.5.3. By-Law Amendments – Changes to Committee on Finance and Investment, First Reading
 - 1.5.4. By-Law Amendments - Establishment of an Executive Committee, Adopt
 - 1.5.5. Proposed Appointments

2. Open Session Agenda Items

- 2.1. Formal Commencement of "Capital Campaign" Fundraising Effort (5 minutes) ACTION
Tom Costabile
- 2.2. Update on TEC (15 minutes) DISCUSSION
George Papadopoulos
- 2.3. By-Law Development - Board Selects President (40 minutes) INFORMATION
Rich Laudenat

3. New Business

4. Open Session Information Items

4.1. Dates of Future Meetings

DATE	DAY	TIME	LOCATION
June 15, 2020	Monday	1:00 PM – 3:00 PM	Conference Call
June 17, 2020*	Wednesday	1:00 PM – 3:00 PM	Conference Call
July 27, 2020*	Monday	1:00 PM – 3:00 PM	Conference Call
July 28, 2020*	Tuesday	1:00 PM – 3:00 PM	Conference Call
November 14, 2020*	Saturday	9:00 AM – 4:00 PM	Portland, Oregon

*2020-2021 Board of Governors

5. Adjournment

List of Appendices

- 1.5.2 By-Law Amendment – Nominating Committee, Second Reading
- 1.5.3 By-Law Amendments – Changes to Committee on Finance and Investment, First Reading
- 1.5.4 By-Law Amendments – Establishment of an Executive Committee
- 1.5.5 Proposed Appointments
- 2.1 Formal Commencement of “Capital Campaign” Fundraising Effort
- 2.3 By-Law Development - Board Selects President



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	April 21, 2020
BOG Meeting Date:	May 19, 2020
To:	Board of Governors
From:	Committee on Organization and Rules
Presented by:	Fred Stong
Agenda Title:	By-Law Amendment – Nominating Committee

Agenda Item Executive Summary:

Given the Board of Governors' approval of the reduction of the size of the Nominating Committee to ten voting members and creation of the new Member Development and Engagement Sector, changes need to be made to the composition of the Nominating Committee.

It is proposed that the number of alternates be one per sector.

The 2020 Nominating Committee, which will meet at the 2020 Annual Meeting is already in place.

This By-Law will take effect with the 2021 Nominating Committee.

Proposed motion for BOG Action: To adopt changes to By-Law B-4.2.

Attachment(s): By-Law changes.

B4.2 NOMINATING COMMITTEE

B4.2.1 The Nominating Committee is charged with the responsibility of nominating members of experience, high standing, and active participation in the work of the Society to those offices specified in Article C4.1.8 of the Constitution. These nominees may be selected from proposals by various units or by individual members in the Society or from the Nominating Committee's own deliberations as it sees fit.

B4.2.2.1 Election to the Nominating Committee takes place at Business Meetings of the Society. At the second Business Meeting of the fiscal year, the President shall present the names of those recommended pursuant to By-Law B4.2.2.3, as applicable, for election to the Nominating Committee. In the event any vacancies occur following that meeting, the President may present the names of those recommended pursuant to By-Law B4.2.2.3, as applicable, for any Nominating Committee vacancies at the first Business Meeting of the new fiscal year. The voting members of the Nominating Committee shall be elected for two years and alternates for one year.

Elected voting members and alternates shall begin their terms at the close of the Business Meeting at which they are elected.

Terms of voting members and alternates will normally end at the close of the Nominating Committee Selection Meeting. However, if the work of a particular Nominating Committee is not finished by that time, terms of that committee will continue until the selection process for which that committee is responsible has been completed.

B4.2.2.2 The Nominating Committee shall consist of voting members and alternates selected by each sector. ~~Each sector shall have two voting members and one alternate. The TEC Sector shall have five voting members and five alternates selected by the TEC Sector Council. One voting member and one alternate for the TEC Sector shall be nominated by the Group Engagement Committee for as long as such Committee exists and reports to the Sector Management Committee. The S&C Sector shall have four voting members and three alternates selected by the Council on Standards and Certification. The PAO Sector shall have four voting members and three alternates selected by the PAO Sector Council. The SECD Sector shall have four voting members and three alternates selected by the SECD Sector Council. Approximately one half of the voting members will have terms that expire annually.~~ Nominations for open positions for voting members and alternates shall be made as provided in By-Law B4.2.2.3 and shall be voted upon at the Business Meetings as provided in By-Law B4.2.2.1.

Voting members and alternates shall be of the Member or Fellow grade and not currently serving in any elective office of the Society.

- B4.2.2.3 Each sector will develop its own procedures for generating proposals for the members and alternates of the Nominating Committee for which that sector has a responsibility, and those procedures shall be specified in the sector operation guide.
- B4.2.2.4 The Nominating Committee shall be assisted by a non-voting group of Advisors consisting of up to three consenting and available past Presidents who have been out of office for one year or more. These Advisors, invited by the Nominating Committee, will attend all meetings of the Nominating Committee and participate in all its discussions. At the option of the committee, they may also be present during the casting of votes for the slate of nominees, although they shall remain impartial and not communicate to the Nominating Committee their opinions regarding any Proposed Nominee. The functions of this group shall be:
- a. to acquaint the Nominating Committee of the short and long range Society plans;
 - b. to make available their experience in, and their knowledge of the requirements for Society offices;
- B4.2.3.1 If a voting member is unable to serve, then an alternate will be identified by the sector from its pool of alternates. In the event that no alternates are available in a specific sector, an alternate may be selected from another sector pool of alternates in accordance with the Nominating Committee Manual, MM-10.
- B4.2.3.2 A person who has been in office as voting member of the Nominating Committee for a term or portion of a term which includes more than one Nominating Committee Selection Meeting is eligible to be proposed for a later term as voting member or alternate only if the later term begins one year or more after the ending of the term in which the person served as a voting member.
- B4.2.4 No voting member or alternate shall be considered for nomination to any elective office (President and Governors) of the Society during a term of office on the Nominating Committee, whether or not it is served.
- B4.2.5 The names of those elected to serve on the Nominating Committee shall be published by the Executive Director prior to the end of each year, accompanied by a request for proposals for officers of the Society to be sent to the Nominating Committee. Any changes to the composition of the Nominating Committee shall be published as soon as possible.

- B4.2.6 A vacancy in the Nominating Committee of the Society shall be filled as determined in accordance with B4.2.3.1 and B4.2.2.1.
- B4.2.7 Each year, not later than December 1, the Nominating Committee shall submit any proposed changes to Manual MM-10 to the Committee on Organization and Rules for review and recommendation.
- B4.2.8 A special nominating committee may be organized by one percent of the corporate membership of the Society in good standing certifying to the Executive Director in writing their joint intention to organize such a committee.
- B4.2.9 Within two weeks following the close of the second Business Meeting of the fiscal year, the Nominating Committee shall deliver to the Executive Director in writing the names of its nominees for the elective offices to be filled at the next election, together with the written consents of the nominees.
- B4.2.10 The names of nominees for the various offices proposed by the Nominating Committee and any other special nominating committee shall be published by the Executive Director immediately after the receipt of the report of the Nominating Committee or the special nominating committee.
- B4.2.11 Names of any nominees presented by any special nominating committee must be in the hands of the Executive Director by the first Tuesday in August of each year, and must be accompanied by the written consent of each nominee.
- B4.2.12 Any member of the Society or any organized unit of the Society may propose and is encouraged to propose, directly to the Nominating Committee, nominees for President or the Board of Governors.



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	April 21, 2020
BOG Meeting Date:	May 19, 2020
To:	Board of Governors
From:	Committee on Organization and Rules
Presented by:	Fred Stong
Agenda Title:	By-Law Amendments – Changes to Committee on Finance and Investment

Agenda Item Executive Summary:

The Committee on Finance and Investment is to be renamed the Committee on Finance.

The Board has previously formed an Executive Committee with specific responsibilities previously held by COFI. The Board has approved on first reading the various changes to By-Laws with respect to the Executive Committee. A need now arises to make complimentary changes to By-Laws related to COFI. The changes herein with respect to COFI are being submitted to the BOG for first reading. Because many of these By-Laws also relate to the Executive Committee, many of the same By-Laws are involved.

When this item appears for adoption at the June 15 Board agenda, the other changes to B4.4 and B5.2 being adopted on a separate agenda item at this meeting will be incorporated when these By-Laws are submitted for second reading.

Proposed motion for BOG Action: To approve for first reading changes to By-Law B4.4 and B5.2.

Attachment(s): By-Law changes.

B4.4 FUNDS

- B4.4.1 All funds received shall be directed to the office of the Chief Financial Officer for proper recording and deposit in authorized bank accounts.
- B4.4.2 All amounts due from members and others shall be collected by the office of the Chief Financial Officer.
- B4.4.3 Funds may be solicited from sources outside of the Society for the conduct of research.
- B4.4.4 No grant, gift or bequest to the Society shall be accepted until it and any restrictions thereon have been approved by or under the authority of the Board of Governors. Upon receipt, such grants, gifts and bequests shall be invested and used for the Society's purposes and in accordance with any restrictions thereon mandated by the donor and approved by or under the authority of the Board of Governors.
- B4.4.5 The Committee on Finance ~~and Investment~~, under the direction of the Board of Governors, shall be responsible for the management of the securities of the Society.
- B4.4.6 All payments for expenditures shall be made by the office of the Chief Financial Officer upon proper authorization, in accordance with the budget adopted by the Board of Governors.
- B4.4.7 The Chief Financial Officer shall regularly report to the Committee on Finance ~~and Investment~~ the total expenditures incurred against each appropriation in the adopted budget. The Committee on Finance ~~and Investment~~ will report the financial position of the Society to the Board of Governors.
- B4.4.8 Any contract or other obligation to pay money in the work of the Society shall be valid only when signed by the Executive Director, the Chief Financial Officer, or the Assistant Treasurer.
- B4.4.9 The accounts of the Society shall be audited annually by a certified public accountant appointed by the Board of Governors and ratified by the corporate membership.
- B4.4.10 No part of net earnings of the organization shall inure to the benefit of any member, trustee, director, officer of the organization, or any private individual (except that reasonable compensation may be paid for the services rendered to or for the organization), and no member, trustee, officer of the organization or any private individual shall be entitled to share in the distribution of any of the organization's assets on dissolution of the organization.

B4.4.11 In the event of dissolution, all of the remaining assets and property of the organization shall, after payment of necessary expenses thereof, be distributed to such organizations as shall qualify under section 501(c) 3 of the Internal Revenue Code of 1986.

B5.2 SECTORS AND COMMITTEES REPORTING TO THE BOARD OF GOVERNORS

B5.2.1 The sectors reporting to the Board of Governors shall be the Member Development and Engagement Sector, Standards and Certification Sector, Technical Events and Content Sector, the Public Affairs and Outreach Sector and the Student and Early Career Development Sector.

Each sector shall be led by a council. The council of each sector shall consist of such voting members as specified in the sector By-Laws. Individuals, as may be required or designated pursuant to any statute, regulation, or court order or consent decree may also be voting or non-voting members of a sector council. A member of the senior staff of the sector, if any, may be a voting member of the sector council. The sector council may designate both volunteer and staff non-voting members.

The duties and responsibilities of the sectors shall be as designated from time to time by the Board of Governors. Each sector shall maintain its own operation guide as prescribed by Society Policy. Each sector shall be chaired by a senior vice president who shall serve a term of three years. Additional service as the same senior vice president may occur after an interruption of one or more years or following a partial term. Senior vice presidents shall attend meetings of the Board of Governors without vote.

B5.2.2 The following Standing Committees shall report to the Board of Governors and shall be appointed by the Board as determined in the By-Laws: Committee on Organization and Rules, Committee on Finance ~~and Investment~~, Audit Committee, Committee on Executive Director Evaluation and Staff Compensation, Committee on Honors, Committee of Past Presidents, Sector Management Committee, Philanthropy Committee, Diversity and Inclusion Strategy Committee, Industry Advisory Board, and Volunteer Orientation and Leadership Training Academy. Each Standing Committee shall maintain its own operation guide as prescribed by Society Policy. If a Standing Committee includes individuals who are not Governors, it is not a committee of the Board and may not bind the Board ~~;- provided, however, that the Committee on Finance and Investment may bind the Board with respect to investment matters without regard to whether it includes individuals who are not Governors.~~

B5.2.3.1 The Committee on Organization and Rules, under the direction of the Board of Governors, shall have responsibility for ensuring that the Society is organized and supplied with qualified leadership to serve the current and anticipated future needs of the membership, and shall reexamine regularly the Constitution, By-Laws and Policies of the Society.

B5.2.3.2 The Committee on Organization and Rules shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.4.1 The Committee on Finance ~~and Investment~~, under the direction of the Board of Governors, shall have responsibility for supervising the financial ~~and investment~~ affairs of the Society

and supporting the Board and its committees by conducting an annual review of the Society's budgets.

- B5.2.4.2 The Committee on Finance ~~and Investment~~ shall select its own Chair.

The Treasurer shall be an ex officio member of the Committee with vote and shall serve as Vice Chair. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

- B5.2.5.1 The Committee on Executive Director Evaluation and Staff Compensation, under the direction of the Board of Governors, shall have responsibility for making recommendations to the Board regarding the Executive Director's performance planning and evaluation and for making recommendations to the Board regarding the Executive Director's compensation, including salary and bonus recommendations.

The Committee shall also have the responsibility to advise the Board of Governors on activities of the Society's staff regarding: staff compensation, including bonus programs; volunteer/staff collaboration survey; staff planning and organization; staff training and development; staff and retiree benefit programs, including pension plans. The committee will also be responsible for staff related Society Policies P-7.1, (Recognition of Staff Members - 5 Years or More of Service) and P-7.2, (Staff Employment Guidelines).

In addition, the Committee has oversight responsibilities for the Pension Plan Trustees and the Retirement Plan Committee.

- B5.2.5.2 The Committee on Executive Director Evaluation and Staff Compensation shall consist of the President, the President-Nominee/Elect, the Immediate Past President and three current Board members at-large (serving staggered terms on the Board). The President and Immediate Past President are ex officio members of the committee with vote. The President-Nominee/Elect is an ex officio member of the Committee without vote. The Immediate Past President shall be the Chair. The incoming first-year Governor shall be selected by the President-Elect and approved by the Board of Governors.

The term of each of the current Board members at-large expires when their Board term expires.

- B5.2.5.3 The Pension Plan Trustees, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the American Society of Mechanical Engineers Pension Plan, for the investment and ultimate distribution of the funds and may also act as Plan agent for the service of legal process.

The Pension Plan Trustees shall consist of up to seven members: the Treasurer of ASME; the Chief Financial Officer, and three to five at-large members recommended by the Committee on Executive Director Evaluation and Staff Compensation for appointment by the Board of Governors.

The terms of the at-large members shall be three years ending at the close of the second Society-Wide Meeting on a schedule established by the Committee on Executive Director Evaluation and Staff Compensation. Except as provided in this section, a Pension Plan

Trustee who is a member-at-large may serve no more than two consecutive full terms. To be eligible for additional full terms, a member-at-large must be nominated by the Committee on Executive Director Evaluation and Staff Compensation upon a finding by the Committee that specifies exceptional circumstances warranting the additional terms, and a written statement of such findings must accompany the nomination when it is communicated to the Board of Governors by the Chair of the Committee. The nominee may then be appointed only upon the affirmative vote of two-thirds of the entire Board of Governors.

- B5.2.5.4 The Retirement Plan Committee, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the ASME Thrift Plan, the ASME Defined Contribution (DC) Plan, the ASME 457(b) Plan, and the ASME 401(k) Plan documents, including to act as Plan Administrator and Named Fiduciary for such plans and assume such responsibilities as developing investment policy statements, selecting and monitoring investment choices, benchmarking Plan administration expenses and investment plan administrators performance and selecting, appointing and retaining plan investment, governance and plan administration compliance advisors, as well as having the power to make ministerial and technically required plan amendments.

The Retirement Plan Committee shall consist of four members: two members of the Executive Management Team, one member of the Human Resources Department and one Volunteer member of the Pension Plan Trustees. The three staff members will be nominated by the Executive Director and appointed at the discretion of the EDESC. The pension plan trustee shall be recommended by the Pension Plan Trustees and may be appointed at the discretion of the EDESC.

The ASME Staff members of the Committee may be members with vote for as long as they hold the positions described in this By-Law B5.2.5.4. The Pension Plan Trustee member's term will be for as long as they are a member of the Pension Plan Trustees.

- B5.2.6.1 The Committee on Honors, under the direction of the Board of Governors, shall have responsibility for recommending properly selected candidates for honors, medals, Honorary Members, and awards, and as required shall recommend recipients of joint awards, all subject to approval by the Board of Governors. However, the Board may delegate to the Committee on Honors the power to approve candidates for any honor, medal or award other than Honorary Member or ASME Medalist.
- B5.2.6.2 The Committee on Honors shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The Chair of the General Awards Committee shall be an ex officio member with vote. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.
- B5.2.6.3 The General Awards Committee, under the direction of the Committee on Honors, shall seek candidates for all honors and awards except Honorary Members, the ASME Medal, and group-level awards, and shall screen nominations and make recommendations to the Committee on Honors.

The General Awards Committee shall consist of a Chair, a Vice Chair and a membership as determined by the Committee on Honors.

- B5.2.6.4 Other Society award committees, including special award committees, shall in accordance with the policies and procedures administered by the Committee on Honors, seek nominees for honors in their several areas of interest, shall screen nominations, and make recommendations to the Committee on Honors.
- B5.2.7.1 The Committee of Past Presidents, under the direction of the Board of Governors, shall have responsibility for electing Fellows, overseeing the ethical practice of engineering, and providing guidance on matters where its experience may be useful, upon request by the President, Board of Governors, and other units of the Society.
- B5.2.7.2 The Committee of Past Presidents shall select its own Chair and Vice Chair. Its membership shall consist of all living Past Presidents, unless the Board of Governors or Ethics Committee makes a finding that results in the censure, expulsion, suspension or other disciplinary action of a Past President involving the following conduct:
- (a) violation or attempted violation of the ASME Ethics or Conflicts of Interest Policy, knowingly assisting or inducing another to violate or attempt to violate the ASME Ethics or Conflicts of Interest Policy, or doing so through the acts of another;
 - (b) illegal conduct that adversely reflects on the Past President's honesty, trustworthiness or fitness to serve ASME in a position of trust;
 - (c) conduct involving breach of fiduciary duty, dishonesty, fraud, deceit or misrepresentation;
or
 - (d) other conduct that is or reasonably could be harmful to the reputation and administration of the Society.
- Disciplinary action for conduct described in B5.2.7.2 (a) through (d) shall render a Past President ineligible for membership on the Committee of Past Presidents and shall result in the expulsion from the committee of any current member of the Committee of Past Presidents.
- B5.2.8.1 The Audit Committee, under the direction of the Board of Governors, shall have responsibility for overseeing the accounting and financial reporting process of the Society and the audit of its financial statements and report its activities to the Board. The Committee will be responsible for overseeing the adoption and implementation of, and compliance with, the Society Policies on whistleblowers and conflicts of interest. The Committee will annually consider the performance and independence of the independent auditor and recommend retaining or renewing the retention of the independent auditor to the Board. The Committee will liaise with the independent auditor prior to the commencement of the audit and upon completion of the audit, review and discuss the audit results and any related management letter with the auditor, including:
- (a) any material risks and weaknesses in internal controls identified by the auditor;
 - (b) any restrictions on the scope of the auditor's activities or access to requested information;
 - (c) any significant disagreements between the auditor and management; and

(d) the adequacy of the Corporation's accounting and financial reporting processes.

B5.2.8.2 The Audit Committee shall consist of three current Board members-at-large (serving staggered terms on the Board) who serve as voting members. The Committee membership is determined by the Board of Governors and consists solely of "independent" members of the Board as defined under Section 102(a) (21) of the New York Not-for-Profit Corporation Law. The Chair shall be the senior Governor and the Vice Chair shall be the second-most senior Governor.

The Treasurer shall be an ex officio member of the Committee without vote. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. The President-Elect makes the recommendation on the incoming first-year Board member-at-large. The term of the Board members-at-large expires when their Board term expires.

B5.2.9.1 The Philanthropy Committee, under the direction of the Board of Governors, shall have responsibility for advising the Board of Governors and assisting the Society in connection with fundraising activities and philanthropic programs carried out using the Society's name or other resources.

B5.2.9.2 The Philanthropy Committee shall select its own chair and vice chair. The ASME Executive Director, the ASME Managing Director of Philanthropy and the ASME Managing Director of Programs shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.10.1 The Diversity and Inclusion Strategy Committee, under the direction of the Board of Governors, shall have responsibility for providing insight and advice into promoting diversity and inclusion within ASME and mechanical engineering.

B5.2.10.2 The Diversity and Inclusion Strategy Committee shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.11.1 The Industry Advisory Board, under the direction of the Board of Governors, shall have responsibility for providing a voice for industry within ASME through the communication of the needs of engineers that are engaged in industry.

B5.2.11.2 The Industry Advisory Board shall select its own Chair and Vice Chair. Its membership shall be determined annually by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Board during their Presidential term.

B5.2.12.1 The Volunteer Orientation and Leadership Training Academy, under the direction of the Board of Governors, shall have responsibility for developing ASME's volunteer leadership. VOLT's programmatic offerings extend to volunteers serving throughout the Society at all levels.

B5.2.12.2 The Volunteer Orientation and Leadership Training Academy shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Academy during their Presidential term.



Board of Governors Meeting Agenda Item Cover Memo

Date Submitted:	April 28,2020
BOG Meeting Date:	May 19, 2020
To:	Board of Governors
From:	Committee on Organization and Rules
Presented by:	Fred Stong
Agenda Title:	By-Law Amendments – Establishment of an Executive Committee

Agenda Item Executive Summary:

A need has arisen for a more agile governance structure at the highest level of ASME to handle action items between meetings of the Board of Governors. The attached By-Law changes call for the establishment of an Executive Committee of the Board of Governors. The voting members of the Executive Committee are all members of the Board of Governors, so, like the Audit Committee and Committee on Executive Director Evaluation and Staff Compensation, the Executive Committee is considered a Committee of the Board of Governors and, as a result, may take actions to bind the Board.

It should be noted that the President-Nominee is not a voting member of the Executive Committee. Only after the Business Meeting at the Congress would this individual, who at that time would be the President-Elect, be a voting member of the Executive Committee.

It is proposed that By-Law B4.4 be amended to allow the Executive Committee to assume responsibility for the acceptance of grants, gifts and bequests.

Proposed motion for BOG Action: To adopt changes to By-Law B-4.4 and B5.2.

Attachment(s): By-Law changes.

B4.4 FUNDS

- B4.4.1 All funds received shall be directed to the office of the Chief Financial Officer for proper recording and deposit in authorized bank accounts.
- B4.4.2 All amounts due from members and others shall be collected by the office of the Chief Financial Officer.
- B4.4.3 Funds may be solicited from sources outside of the Society for the conduct of research.
- B4.4.4 No grant, gift or bequest to the Society shall be accepted until it and any restrictions thereon have been approved by or under the authority of the Board of Governors. Upon receipt, such grants, gifts and bequests shall be invested and used for the Society's purposes and in accordance with any restrictions thereon mandated by the donor and approved by or under the authority of the Board of Governors. The Executive Committee of the Board of Governors may accept unrestricted grants, gifts or bequests with a value of less than \$2,500,000.
- B4.4.5 The Committee on Finance and Investment, under the direction of the Board of Governors, shall be responsible for the management of the securities of the Society.
- B4.4.6 All payments for expenditures shall be made by the office of the Chief Financial Officer upon proper authorization, in accordance with the budget adopted by the Board of Governors.
- B4.4.7 The Chief Financial Officer shall regularly report to the Committee on Finance and Investment the total expenditures incurred against each appropriation in the adopted budget. The Committee on Finance and Investment will report the financial position of the Society to the Board of Governors.
- B4.4.8 Any contract or other obligation to pay money in the work of the Society shall be valid only when signed by the Executive Director, the Chief Financial Officer, or the Assistant Treasurer.
- B4.4.9 The accounts of the Society shall be audited annually by a certified public accountant appointed by the Board of Governors and ratified by the corporate membership.
- B4.4.10 No part of net earnings of the organization shall inure to the benefit of any member, trustee, director, officer of the organization, or any private individual (except that reasonable compensation may be paid for the services rendered to or for the organization), and no member, trustee, officer of the organization or any private individual shall be entitled to share in the distribution of any of the organization's assets on dissolution of the organization.

B4.4.11 In the event of dissolution, all of the remaining assets and property of the organization shall, after payment of necessary expenses thereof, be distributed to such organizations as shall qualify under section 501(c) 3 of the Internal Revenue Code of 1986.

B5.2 SECTORS AND COMMITTEES REPORTING TO THE BOARD OF GOVERNORS

B5.2.1 The sectors reporting to the Board of Governors shall be the Member Development and Engagement Sector, Standards and Certification Sector, Technical Events and Content Sector, the Public Affairs and Outreach Sector and the Student and Early Career Development Sector.

Each sector shall be led by a council. The council of each sector shall consist of such voting members as specified in the sector By-Laws. Individuals, as may be required or designated pursuant to any statute, regulation, or court order or consent decree may also be voting or non-voting members of a sector council. A member of the senior staff of the sector, if any, may be a voting member of the sector council. The sector council may designate both volunteer and staff non-voting members.

The duties and responsibilities of the sectors shall be as designated from time to time by the Board of Governors. Each sector shall maintain its own operation guide as prescribed by Society Policy. Each sector shall be chaired by a senior vice president who shall serve a term of three years. Additional service as the same senior vice president may occur after an interruption of one or more years or following a partial term. Senior vice presidents shall attend meetings of the Board of Governors without vote.

B5.2.2 The following Standing Committees shall report to the Board of Governors and shall be appointed by the Board as determined in the By-Laws: Executive Committee, Committee on Organization and Rules, Committee on Finance and Investment, Audit Committee, Committee on Executive Director Evaluation and Staff Compensation, Committee on Honors, Committee of Past Presidents, Sector Management Committee, Philanthropy Committee, Diversity and Inclusion Strategy Committee, Industry Advisory Board, and Volunteer Orientation and Leadership Training Academy. Each Standing Committee shall maintain its own operation guide as prescribed by Society Policy. If a Standing Committee includes individuals who are not Governors, it is not a committee of the Board and may not bind the Board; provided, however, that the Committee on Finance and Investment may bind the Board with respect to investment matters without regard to whether it includes individuals who are not Governors.

B5.2.3.1 The Executive Committee shall act on behalf of the Board of Governors between Board of Governors meetings, its authority limited to those matters specifically provided for in these By-Laws and specifically delegated to it, consistent with applicable law, by the Board of Governors from time to time. All such actions shall be ratified by the Board of Governors at its next scheduled meeting. The Executive Committee shall have responsibility to accept grants, gifts or bequests in accordance with By-Law B4.4.4. The Executive Committee shall meet from time to time as deemed necessary by the Committee.

B5.2.3.2 The President will serve as Chair of the Executive Committee. The Immediate Past President, President-Elect and one third-year Governor, who is selected by closed written ballot by the Board of Governors at the Board's first meeting of the fiscal year,

shall constitute the remaining voting members of the Executive Committee. If a round of closed written balloting shall fail to produce a majority vote of those present and constituting a quorum in support of a third-year Governor, the lowest vote-getter shall be removed from the ballot for one or more subsequent rounds of closed written balloting until a single candidate shall receive a majority vote of those present and constituting a quorum. If a round of closed written balloting shall produce a tie, the tie shall be broken by a drawing of straws by the tied candidates, and the candidate who draws the shorter or shortest straw shall be removed from the ballot for one or more subsequent rounds of closed written balloting until a single candidate shall receive a majority vote of those present and constituting a quorum. The President-Nominee (until such time as he or she becomes President-Elect) and the Executive Director are non-voting members of the Executive Committee.

- B5.2.43.1 The Committee on Organization and Rules, under the direction of the Board of Governors, shall have responsibility for ensuring that the Society is organized and supplied with qualified leadership to serve the current and anticipated future needs of the membership, and shall reexamine regularly the Constitution, By-Laws and Policies of the Society.
- B5.2.43.2 The Committee on Organization and Rules shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.
- B5.2.54.1 The Committee on Finance and Investment, under the direction of the Board of Governors, shall have responsibility for supervising the financial and investment affairs of the Society and supporting the Board and its committees by conducting an annual review of the Society's budgets.
- B5.2.54.2 The Committee on Finance and Investment shall select its own Chair.

The Treasurer shall be an ex officio member of the Committee with vote and shall serve as Vice Chair. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

- B5.2.65.1 The Committee on Executive Director Evaluation and Staff Compensation, under the direction of the Board of Governors, shall have responsibility for making recommendations to the Board regarding the Executive Director's performance planning and evaluation and for making recommendations to the Board regarding the Executive Director's compensation, including salary and bonus recommendations.

The Committee shall also have the responsibility to advise the Board of Governors on activities of the Society's staff regarding: staff compensation, including bonus programs; volunteer/staff collaboration survey; staff planning and organization; staff training and development; staff and retiree benefit programs, including pension plans. The committee will also be responsible for staff related Society Policies P-7.1, (Recognition of Staff Members - 5 Years or More of Service) and P-7.2, (Staff Employment Guidelines).

In addition, the Committee has oversight responsibilities for the Pension Plan Trustees and the Retirement Plan Committee.

B5.2.65.2 The Committee on Executive Director Evaluation and Staff Compensation shall consist of the President, the President-Nominee/Elect, the Immediate Past President and three current Board members at-large (serving staggered terms on the Board). The President and Immediate Past President are ex officio members of the committee with vote. The President-Nominee/Elect is an ex officio member of the Committee without vote. The Immediate Past President shall be the Chair. The incoming first-year Governor shall be selected by the President-Elect and approved by the Board of Governors.

The term of each of the current Board members at-large expires when their Board term expires.

B5.2.65.3 The Pension Plan Trustees, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the American Society of Mechanical Engineers Pension Plan, for the investment and ultimate distribution of the funds and may also act as Plan agent for the service of legal process.

The Pension Plan Trustees shall consist of up to seven members: the Treasurer of ASME; the Chief Financial Officer, and three to five at-large members recommended by the Committee on Executive Director Evaluation and Staff Compensation for appointment by the Board of Governors.

The terms of the at-large members shall be three years ending at the close of the second Society-Wide Meeting on a schedule established by the Committee on Executive Director Evaluation and Staff Compensation. Except as provided in this section, a Pension Plan Trustee who is a member-at-large may serve no more than two consecutive full terms. To be eligible for additional full terms, a member-at-large must be nominated by the Committee on Executive Director Evaluation and Staff Compensation upon a finding by the Committee that specifies exceptional circumstances warranting the additional terms, and a written statement of such findings must accompany the nomination when it is communicated to the Board of Governors by the Chair of the Committee. The nominee may then be appointed only upon the affirmative vote of two-thirds of the entire Board of Governors.

B5.2.65.4 The Retirement Plan Committee, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the ASME Thrift Plan, the ASME Defined Contribution (DC) Plan, the ASME 457(b) Plan, and the ASME 401(k) Plan documents, including to act as Plan Administrator and Named Fiduciary for such plans and assume such responsibilities as developing investment policy statements, selecting and monitoring investment choices, benchmarking Plan administration expenses and investment plan administrators performance and selecting, appointing and retaining plan investment, governance and plan administration compliance advisors, as well as having the power to make ministerial and technically required plan amendments.

The Retirement Plan Committee shall consist of four members: two members of the Executive Management Team, one member of the Human Resources Department and one Volunteer member of the Pension Plan Trustees. The three staff members will be nominated by the Executive Director and appointed at the discretion of the EDESC. The pension plan trustee shall be recommended by the Pension Plan Trustees and may be appointed at the discretion of the EDESC.

The ASME Staff members of the Committee may be members with vote for as long as they hold the positions described in this By-Law B5.2.5.4. The Pension Plan Trustee member's term will be for as long as they are a member of the Pension Plan Trustees.

B5.2.76.1 The Committee on Honors, under the direction of the Board of Governors, shall have responsibility for recommending properly selected candidates for honors, medals, Honorary Members, and awards, and as required shall recommend recipients of joint awards, all subject to approval by the Board of Governors. However, the Board may delegate to the Committee on Honors the power to approve candidates for any honor, medal or award other than Honorary Member or ASME Medalist.

B5.2.76.2 The Committee on Honors shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The Chair of the General Awards Committee shall be an ex officio member with vote. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.76.3 The General Awards Committee, under the direction of the Committee on Honors, shall seek candidates for all honors and awards except Honorary Members, the ASME Medal, and group-level awards, and shall screen nominations and make recommendations to the Committee on Honors.

The General Awards Committee shall consist of a Chair, a Vice Chair and a membership as determined by the Committee on Honors.

B5.2.67.4 Other Society award committees, including special award committees, shall in accordance with the policies and procedures administered by the Committee on Honors, seek nominees for honors in their several areas of interest, shall screen nominations, and make recommendations to the Committee on Honors.

B5.2.87.1 The Committee of Past Presidents, under the direction of the Board of Governors, shall have responsibility for electing Fellows, overseeing the ethical practice of engineering, and providing guidance on matters where its experience may be useful, upon request by the President, Board of Governors, and other units of the Society.

B5.2.87.2 The Committee of Past Presidents shall select its own Chair and Vice Chair. Its membership shall consist of all living Past Presidents, unless the Board of Governors or Ethics Committee makes a finding that results in the censure, expulsion, suspension or other disciplinary action of a Past President involving the following conduct:

(a) violation or attempted violation of the ASME Ethics or Conflicts of Interest Policy, knowingly assisting or inducing another to violate or attempt to violate the ASME Ethics or Conflicts of Interest Policy, or doing so through the acts of another;

(b) illegal conduct that adversely reflects on the Past President's honesty, trustworthiness or fitness to serve ASME in a position of trust;

(c) conduct involving breach of fiduciary duty, dishonesty, fraud, deceit or misrepresentation;
or

(d) other conduct that is or reasonably could be harmful to the reputation and administration

of the Society.

Disciplinary action for conduct described in B5.2.7.2 (a) through (d) shall render a Past President ineligible for membership on the Committee of Past Presidents and shall result in the expulsion from the committee of any current member of the Committee of Past Presidents.

B5.2.98.1 The Audit Committee, under the direction of the Board of Governors, shall have responsibility for overseeing the accounting and financial reporting process of the Society and the audit of its financial statements and report its activities to the Board. The Committee will be responsible for overseeing the adoption and implementation of, and compliance with, the Society Policies on whistleblowers and conflicts of interest. The Committee will annually consider the performance and independence of the independent auditor and recommend retaining or renewing the retention of the independent auditor to the Board. The Committee will liaise with the independent auditor prior to the commencement of the audit and upon completion of the audit, review and discuss the audit results and any related management letter with the auditor, including:

- (a) any material risks and weaknesses in internal controls identified by the auditor;
- (b) any restrictions on the scope of the auditor's activities or access to requested information;
- (c) any significant disagreements between the auditor and management; and
- (d) the adequacy of the Corporation's accounting and financial reporting processes.

B5.2.98.2 The Audit Committee shall consist of three current Board members-at-large (serving staggered terms on the Board) who serve as voting members. The Committee membership is determined by the Board of Governors and consists solely of "independent" members of the Board as defined under Section 102(a) (21) of the New York Not-for-Profit Corporation Law. The Chair shall be the senior Governor and the Vice Chair shall be the second-most senior Governor.

The Treasurer shall be an ex officio member of the Committee without vote. The Chief Financial Officer and the Assistant Treasurer shall be ex officio members of the Committee without vote. The President-Elect makes the recommendation on the incoming first-year Board member-at-large. The term of the Board members-at-large expires when their Board term expires.

B5.2.109.1 The Philanthropy Committee, under the direction of the Board of Governors, shall have responsibility for advising the Board of Governors and assisting the Society in connection with fundraising activities and philanthropic programs carried out using the Society's name or other resources.

B5.2.109.2 The Philanthropy Committee shall select its own chair and vice chair. The ASME Executive Director, the ASME Managing Director of Philanthropy and the ASME Managing Director of Programs shall be ex officio members of the Committee without vote. Other members shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.119.1 The Diversity and Inclusion Strategy Committee, under the direction of the Board of

Governors, shall have responsibility for providing insight and advice into promoting diversity and inclusion within ASME and mechanical engineering.

B5.2.1~~19~~.2 The Diversity and Inclusion Strategy Committee shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Committee during their Presidential term.

B5.2.1~~24~~.1 The Industry Advisory Board, under the direction of the Board of Governors, shall have responsibility for providing a voice for industry within ASME through the communication of the needs of engineers that are engaged in industry.

B5.2.1~~24~~.2 The Industry Advisory Board shall select its own Chair and Vice Chair. Its membership shall be determined annually by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Board during their Presidential term.

B5.2.1~~32~~.1 The Volunteer Orientation and Leadership Training Academy, under the direction of the Board of Governors, shall have responsibility for developing ASME's volunteer leadership. VOLT's programmatic offerings extend to volunteers serving throughout the Society at all levels.

B5.2.1~~32~~.2 The Volunteer Orientation and Leadership Training Academy shall select its own Chair and Vice Chair. Its membership shall be determined by the Board of Governors. The President-Elect may select a Governor to serve as Liaison to the Academy during their Presidential term.

**ASME Board of Governors
Agenda Item
Cover Memo**

Date Submitted: April 21, 2020
BOG Meeting Date: May 19, 2020

To: Board of Governors
From: Committee on Organization and Rules
Presented by: Fred Stong
Agenda Title: Proposed Appointments

Agenda Item Executive Summary:

Proposed appointments reviewed by the COR on April 24, 2020.

Proposed motion for BOG Action:

To approve the attached appointments.

Attachments: Document attached.

MAY 2020

**PROPOSED APPOINTMENTS
TO ASME UNITS**

Internal Unit	Nominee	Appointment Position/Title	Appointment Term/Category	Appointment Type	History
Diversity and Inclusion Strategy Committee	Ruander Cardenas	Member-at-Large	July 2020 – June 2023	Initial	Member, VOLT Executive Committee
Philanthropy Committee	Kenneth Balkey	Member-at-Large	July 2020 – June 2023	Initial	Senior Vice President, Standards and Certification
Philanthropy Committee	Lester Su	Member-at-Large	July 2020 – June 2023	Initial	Chair, Committee on Government Relations



Board of Governors Agenda Item Cover Memo

Date Submitted:	April 21, 2020
BOG Meeting Date:	May 19, 2020
To:	Board of Governors
From:	ASME Philanthropy
Presented by:	Tom Costabile, Executive Director / CEO Kathleen Lobb, Managing Director, Philanthropy
Agenda Title:	Formal Commencement of “Capital Campaign” Fundraising Effort

Agenda Item Executive Summary:

Over the past year, the Board of Governors has been apprised of progress being made on plans to launch a major five-year fundraising effort (a capital campaign) to support both ASME’s and the ASME Foundation’s philanthropic programs. The proposal is to formally begin “The Campaign for Next Generation Engineers Who Will Transform the World” on July 1, 2020 and to complete it on July 1, 2025. The fundraising goal for this five-year campaign is \$50 million. The Board of Governors will be provided with a progress report at the end of each fiscal year or at such other times as the Board shall so request.

Proposed motion for BOG Action: *(if appropriate)*

The Board of Governors hereby approves The Campaign for Next Generation Engineers to commence on July 1, 2020 to be completed on July 1, 2025. The Board of Governors is to be provided with a progress report at the end of each fiscal year or at such other times as the Board shall so request.

For information and discussion only.

What to Expect from Presentation

- Proposal to formally begin “The Campaign for Next Generation Engineers Who Will Transform the World” on July 1, 2020 and to complete it on July 1, 2025. This 5-year capital campaign has a fundraising goal of \$50 million.
- Proposed motion for BOG Action:

The Board of Governors hereby approves The Campaign for Next Generation Engineers to commence on July 1, 2020 to be completed on July 1, 2025. The Board of Governors is to be provided with a progress report at the end of each fiscal year or at such other times as the Board shall so request
- Please hold questions until after the presentation
- 5 minutes

The Campaign For Next Generation Engineers Who Transform the World (ASME's 5-year, \$50 million Capital Campaign)

Engineers are visionaries and problem-solvers. They are creators and inventors whose ingenuity drives progress and enhances quality of life for all of us. Engineers meet humankind's most serious challenges with practical, real-world solutions.

So many problems can't wait. At a moment when disease, climate change, and poor sanitation, among many other critical challenges, pose an urgent threat to billions around the world, engineers will deliver powerful new solutions to humanity's most pressing needs.

The Campaign for Next Generation Engineers is ASME's ambitious fundraising effort to support an arc of philanthropic programs that address every stage of an engineer's journey: *EDUCATION THAT INSPIRES*, igniting a lifelong passion for engineering in K-12 through college and graduate school; *CAREERS THAT MATTER*, propelling early-career engineers toward a lifetime of meaningful work and engagement; and *IDEAS THAT INNOVATE*, nurturing breakthrough ideas to improve quality of life in underserved communities.

Reaching our fundraising goal of \$50 million over five years requires the engagement, leadership, and participation of ASME's 100,000+ members in 150+ countries, corporate and foundation partners, and other stakeholders whose interests and mission align with ours.

In normal times, *advancing engineering for the benefit of humanity* is an apt description of ASME's reason for being. But at this unprecedented moment, when millions of lives are impacted by COVID-19, our inspiring mission statement becomes an urgent call to action. ASME's Campaign for Next Generation Engineers answers that call in three ways:

- Providing a new generation of engineers with the networking opportunities and fellowships they need to launch engineering careers in a challenging economic environment
- Supporting aspiring social entrepreneurs with business guidance, mentoring, and seed funding to scale breakthrough solutions from idea to prototype to marketplace
- Offering early-career engineers resources to advance innovative global development ideas, propel meaningful careers, and serve the greater good

Today, too few diverse, young women and men are inspired to join the engineering profession, and too few early-career engineers get the support and interdisciplinary training they need to solve complex challenges. **But with your support, the possibilities are limitless.**

During the initial phase of our campaign, the ASME Foundation is looking for individuals and corporate partners to **join us in an early leadership role** to advocate for the campaign and inspire others to follow in your footsteps to support the next generation of engineers who will transform the world.

Founded in 1880, American Society of Mechanical Engineers sets global manufacturing and safety standards for products and processes with an unwavering commitment to public safety and engineering excellence. ASME is also the central information and learning hub for more than 100,000 professional and student members in 150 countries. With its multidisciplinary focus and engagement with industry, academia and government, ASME is uniquely positioned to nurture the next generation of engineers and the life-changing breakthroughs they will create.

Engineers build the future. Now let's build theirs.
www.asmefoundation.org

Motion

The Board of Governors hereby approves The Campaign for Next Generation Engineers to commence on July 1, 2020 to be completed on July 1, 2025. The Board of Governors is to be provided with a progress report at the end of each fiscal year or at such other times as the Board shall so request.



**Board of Governors Meeting
Agenda Item
Cover Memo**

Date Submitted:	May 3, 2020
BOG Meeting Date:	May 19, 2020
To:	Board of Governors
From:	Richard Laudenat
Presented by:	Richard Laudenat
Agenda Title:	Agenda Item 2.3, By-Law Development - Board Selects President

Agenda Item Executive Summary:

Discussion of latest approach to Board Of Governors Selecting its Chair

Proposed motion for BOG Action: **Concurrence with Subsequent Bylaw Revisions**

Attachment(s):

PowerPoint Presentation

By-Law Development: Principles and In-Depth Discussion Regarding ASME Board of Governor Self Selection of President/Chair

Richard Laudenat

May 19, 2020



What to Expect from Presentation ...

- **Description** – An in-depth discussion of proposal for BOG Self Selection of President
- **Desired Outcome** – Board concurrence to allow revised Governance Documents to be prepared for Board Action
- **Questions** – Please ask questions during the presentation.
- **Duration** – 30 minutes

In-Depth Discussion...

- Chair of the Board is a very common term in profit and not-for-profit organizations. While the Chair can also be the President, it is not required. I think with all the changes we're recommending to the Governance process, separating this historical title (President) will help justify the changes we're making (i.e. the Board selecting its own "leader")
- The beauty of this is that the NC only vets and selects Governors to the Board. Everyone comes onto the Board as a Governor (with the possible exception of the external appointment that occurs when no sitting Governors are qualified or interested in the position) and has the potential to be Chair once they've acquired the necessary amount of experience on Board affairs

In-Depth Discussion continued ...

- The 2nd beauty is that the continuous flow of new talent to the board is consistent (3 per year), and a truly exceptional leader could stay for 5 years without disrupting the flow
- Extending a Chair to a 2nd year would still require a majority vote as they could be up against 3rd year Governors with a desire to be Chair.
- Even if the Board needs to resort to an external Chair as described in paragraph 7, things just keep running along as usual.
- A negative is that a Governor who fails to gain the votes (though interested) to become Chair would exit the Board and not be allowed to run again unless reached out to by the Board under extenuating circumstances but something significantly different than the past

In-Depth Discussion Continued ...

- The “3rd year only” restriction for running for Chair remains an issue. The Board has seen some really strong 2nd year Governors who came to the board with a significant amount of corporate level governance experience. The Board should be able to draw more of those kinds of professionals. We might want to open it up to be any level of experience and any duration up to three years in order to capitalize on an exceptional leader.

Principles ... Overview

- **OVERVIEW** - In order to facilitate becoming a high-performing board, the current Board of Governors feel it imperative that the members of the board in any given year be charged with appointing their Chair (replacing the title of President) from amongst its membership. The NC will still be responsible for vetting and recommending Governors to the Board.

Principles ... Membership and Nomination

- **MEMBERSHIP** – The ASME Board of Governors will consist of 11 members:
 - Nine (9) Members-at-Large
 - Chair, appointed by the Board from the previous year’s senior Governors (3rd Year)
 - Executive Director, in a non-voting ex officio capacity
- **NOMINATION PROCESS** – The Nominating Committee would annually select enough candidates to fill three board positions. The Board, at its discretion, may select its own candidate (i.e. a high-level donor) to fill **one** of the three spots, but must notify the NC no later than Dec 31st of the prior fiscal year in order to set expectations. In that scenario, the NC would be responsible for filling the two remaining spots.

Principles ... Board Term

- **BOARD TERM** – each Governor will serve a minimum of three (3) years, with the option of a 4th year under certain conditions (see Chair Selection below) and as approved by the Board. Board terms will be staggered such that no more than three (3) new Governors are required in any given year.

Principles ... Chair Selection

- **CHAIR SELECTION** – the Board nominates candidates for Chair for a one-year term from the senior-most sitting elective members of the board (3rd year only). These individuals have gained the necessary experience from their time on the board and are best positioned to fill the role of Chair. A vote is held at the last business meeting of the fiscal year (early June), and a Chair is elected by a majority vote of the Board. The new Chair becomes effective immediately. The ASME Membership only ratifies Governor appointments, not the Chair position. Governor-Elects will continue to be ratified by the membership via ballot and confirmed at the 2nd business meeting of the fiscal year.

Principles ... Chair Term

- **CHAIR TERM** – nominally, the Chair serves a one-year term which is his or her 4th year on the Board. The Chair would be permitted to serve a second one-year term in that office but must stand for reelection by the Board against any 3rd year Governors interested in the position. Again, the Chair is elected by a majority vote. If not renewed for a 2nd one-year term, the current Chair would exit the Board and be replaced by the 3rd year Governor elected by the Board or an external candidate selected by the Board (see paragraph 7 below).

Principles ... External Candidates

- **NO CHAIR CANDIDATE WITHIN BOARD** - Only those elective governors who have completed a three-year period on the Board, and who exhibit the leadership skills required of the Chair, would be eligible to be selected as Chair in this process. If none of the sitting third year Board members chooses to serve as President, the Board is empowered to select a President from a larger pool of consenting past Board members, consenting past Senior Vice Presidents, and if necessary, consenting past Presidents/Chairs. The eligibility of these candidates will be based on the calendar year of their final term plus three years to ensure they remain current in Board issues. If a desired candidate cannot be found within the groups previously described, the Board may expand the candidate pool to other individuals who exhibit the desired leadership skills. Any Chair so selected would serve a one-year term on the Board solely by virtue of holding the office of Chair.

Board Concurrence ...

- 14-day period for Board Comments.
- Summary Level Report to BOG on with comment resolution and concurrence
- ASME Staff Prepares draft Governance Document Revisions
- Initial Draft comments by BOG
- Comment Resolution and 14-day comment period
- First Reading and then Second Reading for Adoption