



THE SOCIETY OF PETROLEUM EVALUATION ENGINEERS BY-LAWS

ARTICLE I. NAME

This Society, which is incorporated under the laws of the State of Texas, shall be called "The Society of Petroleum Evaluation Engineers" (hereinafter "Society" or "SPEE").

ARTICLE II. OBJECTIVES

The objectives of this Society are to promote the profession of petroleum evaluation engineering, to foster the spirit of scientific research among its Members, and to disseminate facts pertaining to petroleum evaluation engineering among its Members and the public.

ARTICLE III. MEMBERS

SECTION 1. An applicant may qualify to become a Member who has:

(a) A bachelor's or advanced degree in engineering or geology; and

(b) Ten years experience in the evaluation of oil and gas properties. Five years responsible petroleum engineering experience, or five years teaching petroleum engineering courses in a college or university accredited by the Accreditation Board of Engineers and Technology (ABET) may be substituted for five years of experience in the evaluation of oil and gas properties. Experience in the evaluation of oil and gas properties shall mean that the principal employment on a consistent basis regularly involves the evaluation of oil and gas properties. "Evaluation" of oil and gas properties includes, but is not limited to, the responsible determination of petroleum reserve/resources estimates, the responsible determination of production forecasts, and the responsible inclusion of the economic impacts of reserves/resources and production estimates; and

(c) If an engineer legally offering engineering services directly to the public, or if employed in an engineering capacity by a firm that legally provides professional engineering services to the public: a license or registration as a professional engineer. Licensure or registration is not required for engineers working exclusively as an employee within a corporate structure that: (1) does not provide engineering services to the public, and (2) does not require that its engineering personnel be licensed or registered as a professional engineer. If after admittance to the Society, an unlicensed Member becomes an engineer legally offering engineering services directly to the public, or if employed in an engineering capacity by a firm that legally provides professional engineering services to the public, the Member must obtain licensure or registration within three years of the job status change or shall be suspended from the Society. Exceptions to allow more than three years to obtain licensure or registration may be granted, but only under extenuating circumstances, the sufficiency of which shall be determined by a unanimous vote of the Executive Committee. The membership status of unlicensed or unregistered Members in good standing as of June 1, 2007 will remain unaffected by the provisions of this Section.

(d) If a geologist, they must be: (1) a Certified

Petroleum Geologist as designated by the American Association of Petroleum Geologists (AAPG), or (2) certified as a member of the Society of Independent Professional Earth Scientists (SIPES), or (3) certified by the applicant's residence regulations, if such certification is available.

SECTION 2. An application to become a Member must be approved by the Executive Committee.

SECTION 3. If a membership application is received where the applicant does not meet the above qualifications in their entirety, the Board of Directors, by unanimous vote, may waive certain requirements upon petition by the applicant and the applicant's sponsors.

SECTION 4. An additional category of membership shall be created subject to the criteria and limitation of rights noted below. The Board of Directors shall set the percent of total membership which shall be available to this additional category of membership. An applicant may apply to become an Associate Member who has:

(a) The qualifications described in Section 1, except that an Associate Member shall be required to demonstrate at least five years of experience in the evaluation of oil and gas properties (rather than the ten years required for Members), one half of which time (2-1/2 years) can be satisfied by the substitution of either 2-1/2 years of responsible petroleum engineering practice or 2-1/2 years of teaching petroleum engineering courses in an accredited college or university.

(b) An Associate Member must apply to change status from Associate Member to Member as soon as the Associate Member can demonstrate that they have fulfilled the requirements described in Section 1, but in no event later than ten years from the date of admission to the Society as an Associate Member. Any Associate Member that does not convert to Member within ten years of admission to the Society as an Associate Member will be suspended.

(c) An Associate Member shall pay the dues as shall be determined by the Executive Committee.

(d) An Associate Member may vote for officers and directors and on such matters as may properly come before the membership, but an Associate Member may not act as a sponsor for a Member or an Associate Member applicant. An Associate Member may not hold national office.

ARTICLE IV. ADMISSION OF NEW MEMBERS

SECTION 1. Every applicant for admission as a Member or Associate Member shall submit an application on a form authorized by the Executive Committee, signed by the applicant and endorsed by not less than three Member sponsors who are in good standing, stating the applicant's training and experience and such other facts as shall be prescribed from time to time by the Executive Committee. Associate Members may not act as sponsors. The application, after being screened by the Qualifications Committee, will be forwarded to the Executive Committee. The application must then be approved by the Executive Committee after each Member of that committee has determined that the applicant fulfills the qualifications required

under Article III. Applications, correspondence and presentations, written or spoken, will be in English. Financial transactions will be in U. S. dollars.

SECTION 2. To facilitate the formation of local chapters in international regions, and regions deemed remote by the Board of Directors, the sponsor requirement of this Section may be waived by a 2/3rds majority vote of the Board of Directors for up to three founding local chapter applicants who: (1) reside in the region, (2) who meet the requirements of Article III, Section 1, (3) who submit an application on a form authorized by the Executive Committee, signed by the applicant and endorsed by not less than three industry professionals who can attest to the character and industry experience of the applicant, (4) who have been vetted by the Board of Directors or its delegate(s), and (5) who agree to vet and sponsor other qualified candidates in the region. The founding local chapter applicants, if ultimately approved for membership, shall be released from the obligation to vet other applicants in the region: (a) upon the approval of the local chapter application by the Executive Committee pursuant to the provisions of Article XIV, or (b) three years after the approval of the first founding local chapter applicant as a Member, whichever comes first.

SECTION 3. Prior to admission to the Society, the names of the applicant and the applicant's sponsors shall be presented to the Members of the Society. In the case of applicants admitted under Section 2 of this Article, the applicants' non-member sponsors will be identified with a footnote identifying that the application for Membership was submitted under Section 2 of this Article. If no objection is received within thirty (30) days after mailing the names of the applicant and the applicant's sponsors to the Society's Members, and after approval of the Executive Committee, the applicant shall be notified of acceptance as a Member or Associate Member.

If any objection is received within thirty (30) days after mailing the names of the applicant and the applicant's sponsors to the Society's Members, the Executive Committee after investigating the basis for such objection shall reconsider the application and shall decide either to accept or reject the applicant as a Member or Associate Member.

An objection, in order to be deemed a valid cause for the action called for in the preceding paragraph, must specifically cite one or both of the following conditions:

(a) The objecting Member believes that the applicant lacks one or more of the qualifications set out in Article III, Section 1 or Section 4.

(b) The objecting Member has knowledge of events or circumstances that would indicate that the applicant does not meet the ethical standards set out in Article VI, Section 1.

SECTION 4. An applicant, upon being notified in writing of acceptance as a Member or Associate Member of the Society, shall also be billed for the dues applicable for the current year. Admission as a Member or Associate Member will become effective when payment for such dues is received by the Society. If dues payment is not received within sixty (60) days from applicants living within the continental United States and within ninety (90) days from other applicants after notice of acceptance has been mailed to the applicant, the Executive Committee may rescind the admission of

the applicant as a Member or Associate Member.

SECTION 5. Upon the recommendation of not less than three Members in good standing, the Executive Committee along with the Board of Directors may, after a review, confer an Honorary Life Membership upon a Member in good standing. The basis for conferring an Honorary Life Membership upon a Member is outstanding achievement in the profession of petroleum property evaluation and/or significant and exceptional service to the Society. An Honorary Life Member shall be exempt from annual dues, shall be presented with the form of membership certificate customary for that class of membership, and shall have their name included in the list of Honorary Life Members in the Directory.

Upon the recommendation of not less than three Members in good standing, the Executive Committee along with the Board of Directors may, after a review, confer a Life Membership upon a Member in good standing. The bases for conferring a Life Membership upon a Member include a critical health situation, or permanent disability, or any other special case deemed worthy by the Executive Committee and the Board of Directors. A Life Member shall be exempt from annual dues.

SECTION 6. The names of deceased Members shall be made a part of the Society's permanent records.

ARTICLE V. QUALIFICATIONS COMMITTEE

The Executive Committee shall appoint a Qualifications Committee, the purpose of which shall be to review such applications as may be referred to it by the Executive Committee, to recommend action to be taken with respect to applications so referred, to make a continuing study of requirements for admission to the Society, and when advisable to recommend to the Executive Committee changes in qualifications requirements. The Qualifications Committee shall consist of four Members unless a different number is authorized by the Executive Committee. The Qualifications Committee chairman will send a written notice as soon as it is practical to do so to any applicant who is not accepted as a Member and will also send a copy of such notice to all three of that applicant's sponsors.

ARTICLE VI. ETHICS

SECTION 1. Each Member shall be guided by the highest standards of business ethics, personal honor, and professional conduct, as exemplified by the Code of Ethics for Engineers as adopted by the Accreditation Board for Engineering and Technology (ABET) as shown in Appendix A, and the Principles of Acceptable Evaluation Engineering Practice as shown in Appendix B. Appendices A and B are attached hereto and incorporated herein by reference. Honesty, integrity, loyalty, fairness, impartiality, candor, fidelity to trust, and inviolability of confidence are incumbent upon every Member, not for submissive observance, but as a set of dynamic principles to guide a way of life.

SECTION 2. A Member who, after due investigation, is found guilty of violating any of the standards prescribed in Section 1 of this article may be suspended, admonished, allowed to resign, or expelled from the Society in accordance with the procedure provided by the By-Laws.

ARTICLE VII. BOARD OF DIRECTORS,
OFFICERS AND THEIR DUTIES

SECTION 1. The maximum number of elected Directors (excluding the Executive Committee described in Sections 3 and 4 of this Article) shall be nine. The Directors shall be elected for a term of three years with three Directors being elected annually. The term of each newly elected Director will begin with the first board meeting following their election, which meeting is normally scheduled to be held in January, and will end immediately before the first board meeting scheduled to be attended by their successor approximately three years thereafter. Three additional Directors can also be Members of the Board of Directors as specified in Sections 7 and 8 below.

SECTION 2. There shall be no more than one Member from any one company or organization elected to the Board of Directors. A vacancy occurring in the Board of Directors may be filled by an affirmative vote of a majority, though less than a quorum, of the remaining Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of the predecessor Director.

SECTION 3. The Board of Directors shall elect from its Members the following officers: President, Vice President, and Secretary-Treasurer.

SECTION 4. The above named officers and the immediate Past-President shall constitute the Executive Committee.

SECTION 5. A Nominating Committee, to be appointed by the Executive Committee by September 10th of each year, shall nominate as candidates two Members for each of the three director positions to be filled via election. If a Nominating Committee is not so named, then the immediate Past-President shall automatically become the Chairman of the Nominating Committee that shall be named in their sole discretion. A petition signed by at least ten (10) percent of the Members before September 30th may place a third name, or more, on the ballot for any or all of the three Director positions along with the candidates selected by the Nominating Committee. The Executive Committee shall mail ballots to Members during the first two weeks in October. The ballots received by November 10th shall determine the newly elected Directors. In those instances where there are more than two candidates for a Director's position, the individual who obtains a plurality of the ballots received by November 10th shall become the Director.

SECTION 6. Each of the Society's three officers will serve for a period of one year and shall not be eligible for re-election to the same office during the current term as a Director. However, should the Board of Directors so desire, and should the Secretary-Treasurer be in agreement, the Secretary-Treasurer may be re-elected for a second year as Secretary-Treasurer during the current term as a Director. Also, any Member who was previously an officer of the Society may be re-elected as an officer during any additional term served as a Director.

SECTION 7. At the first meeting of the newly elected Board of Directors, the Directors, at their discretion, may appoint up to two Directors-at-Large for a one-year term each. A Director-at-Large will be a Member of the Board and will be eligible to serve as an officer during the one-year term.

SECTION 8. The immediate Past-President shall be considered an ex-officio Director and will serve as a Member of the Board of Directors for a term of one year.

Duties of Officers

SECTION 9. The President shall be the presiding officer at all meetings of the Society, shall take cognizance of the acts of the Society, of its officers and staff, shall appoint, within the limitations prescribed by the By-Laws, such committees as are required for the purpose of the Society, and shall delegate Members to represent the Society. The President shall serve as Chairman of the Executive Committee.

SECTION 10. The Vice President shall assume the office of the President in case of a vacancy in that office and shall assume the duties of President for such period or periods as that officer may be unable to perform necessary official duties. The Vice President shall be responsible for the Annual Meeting, technical programs and shall cause to be published and distributed any and all material approved by the Executive Committee.

SECTION 11. The Secretary-Treasurer shall assume the duties of President in case the President and Vice President are unable to serve. The Secretary-Treasurer shall have charge of the financial affairs of the Society and shall annually submit reports covering the fiscal year. The Secretary-Treasurer shall have the primary responsibility for disbursing the funds of the Society, and shall receive all funds of the Society, unless the Executive Committee authorizes the Society administrator to also receive funds on behalf of the Society. The President or the Vice President may disburse funds in circumstances in which the Secretary-Treasurer is unavailable to disburse in a timely manner. In such instances, the Secretary-Treasurer shall be provided copies of all checks so disbursed on a timely basis.

The Secretary-Treasurer shall cause an audit or a financial compilation to be prepared annually by a public accountant at the expense of the Society. The Secretary-Treasurer shall give a bond, and shall cause to be bonded all individuals whom the Executive Committee has authorized to handle Society funds. The amount of such bonds shall be set by the Executive Committee and the expense shall be borne by the Society. The funds of the Society shall be disbursed by check as authorized by the Executive Committee.

SECTION 12. The election of officers shall be conducted at the first meeting of the newly elected Board of Directors and the officers shall assume the duties of their respective offices immediately.

SECTION 13. Should a vacancy occur or be anticipated to occur in the office of Vice President or Secretary-Treasurer or if either of these officers is disabled and cannot perform the functions of office, such position shall be filled by a Member receiving a majority vote of the Executive Committee, either for the remainder of the unexpired term of the office vacated, or anticipated to be vacated, or for shorter period of disability as the committee may decide. In the case of a tie vote, the President's choice for the incoming officer shall prevail.

ARTICLE VIII. EXECUTIVE COMMITTEE

SECTION 1. As provided in Article VII Section 4, the Executive Committee shall consist of the President, Vice President, Secretary-Treasurer and the immediate Past-President. If the immediate Past-President shall for any reason be unable to serve as a Member of the Executive Committee, the President shall fill the vacancy by the appointment of the next available preceding Past-President. If no Past-Presidents are available to serve on the Executive Committee, the President shall appoint a director of the Society to serve on the Executive Committee in the place of a Past-President of the Society.

SECTION 2. The Executive Committee shall have control and management of the affairs and funds of the Society, shall determine the manner of publication and approve the material presented for publication, shall designate the place and time of the Annual Meeting, shall appoint the Nominating Committee and its chairman, shall appoint the Qualifications Committee and its chairman, and shall be in charge of the annual election of officers and decide eligibility and other questions pertaining to the election. The Executive Committee is empowered to establish a business headquarters for the Society and to employ such persons as are needed to conduct the business of the Society. It is empowered to accept, create, and maintain special funds for publication, research and other purposes. It is empowered to make investments of both general and special funds of the Society and to create trust funds, giving to the trustees appointed for such purpose such direction as to investments as seems desirable to the Executive committee to accomplish any of its objectives and purposes.

ARTICLE IX. MEETINGS

SECTION 1. The Board of Directors may hold meetings either within or outside of the State of Texas. The first meeting of each newly elected Board of Directors shall be held at such time and place following its election as shall be determined by the Executive Committee. Notice via mail, facsimile, or electronic mail (e-mail) of such meeting shall be given to each director at least five days before the date of the meeting. In the event the newly elected Board of Directors is unable to have such meeting, the officers for the ensuing year shall be elected by mail in such manner as may be determined by the President. Upon the written request to do so submitted to the President by any three Members of the Board of Directors, a special meeting of the Board of Directors will be scheduled as soon as it is practical to do so. Notice via mail, facsimile, or electronic mail (e-mail) of such special meetings of the Board of Directors shall be given to each Director at least five days before the date of the meeting. Except as may be otherwise provided by statute, or by the Articles of Incorporation, or by the By-Laws, neither the business to be transacted, nor the purpose of any special meeting, need be specified in a notice or waiver of notice. At all meetings of the Board of Directors, a majority of the Directors then in office shall constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Articles of Incorporation.

SECTION 2. The Executive Committee shall meet shortly before the Annual Meeting, and at the call of the President may hold special meetings when and where advisable to conduct the affairs of the Society. Executive Committee Members may vote by proxy on matters which require a unanimous vote. Notice via mail, facsimile, or electronic mail (e-mail) of meetings shall be given to each Member of the Executive Committee at least five days before the date of the meeting. A majority of the Members of the Executive Committee represented in person or by proxy shall constitute a quorum for the transaction of business, and the act of a majority of the Members present at any meeting at which there is a quorum shall constitute the act of the Executive Committee.

SECTION 3. Any action of the Board of Directors or of the Executive Committee may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all of the Members of the Board of Directors or the Executive Committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote of such Board of Directors or Executive Committee.

SECTION 4. The Members shall hold at least one regular meeting each year, which shall be known as the Annual Meeting. The Annual Meeting shall be held at a time and place designated by the Executive Committee. The purpose of the Annual Meeting shall be to (1) serve as a means of continuing education of and for the Members of the Society, (2) provide a venue for the dissemination of pertinent information through the presentation of scientific and other papers on topics of interest and the discussion of these papers, (3) inform the membership of the current state of the Society and present plans for the future of the Society, and (4) to allow Society business to be transacted.

Special meetings of the Members for any purpose or purposes, unless prescribed or otherwise provided for by statute, by the Articles of Incorporation, or these By-Laws may be called by the President or the Executive Committee. A written request for such a special meeting shall be directed to the Secretary-Treasurer of the Society and such request shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting of Members shall be limited to the purposes stated in the written request for such special meeting. Notice via mail, facsimile or electronic mail (e-mail) stating the place, day and hour of the special meeting and the purpose or purposes for which the special meeting is called, and a formal proxy form approved by the Executive Committee shall be delivered not less than ten (10) days nor more than fifty (50) days before the date of the meeting by or at the direction of the President, the Secretary-Treasurer, or the officer or person calling the meeting, to each Member in good standing of the Society.

SECTION 5. Members holding one-tenth of the votes entitled to be cast, represented in person or by authorized proxy, shall constitute a quorum at all meetings of the Members. When a quorum is present at any meeting, the vote of a majority entitled to vote, present in person or represented by proxy, shall determine the results of any proposal brought before such meeting, unless the proposal is one upon which a different vote is required by express provision of a statute, the Articles of Incorporation or these By-Laws,

in which case the relevant provision shall govern and control the manner in which such proposal is voted upon.

SECTION 6. Whenever any notice is required to be given under the provisions of a statute or of the Articles of Incorporation or of these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Any such signed waiver of notice, or a signed copy thereof, shall be placed in the minutes of the corporation.

ARTICLE X. AMENDMENTS

Amendments to the By-Laws may be proposed by (1) a resolution of the Executive Committee or (2) a resolution of the Board of Directors or (3) a written proposal signed by ten percent of the then current number of Members in good standing of the Society and submitted to the Executive Committee. The legality of all proposed amendments not initiated by the Executive Committee shall be determined by the Executive Committee upon submission. All resolutions and/or proposals for amendment of the By-Laws must be submitted to the Members of the Society for approval or disapproval using the following procedure:

(a) If the proposed amendment is determined to be legal, the proposed amendment shall be printed in its entirety in the next SPEE newsletter and shall be simultaneously posted on the SPEE Website.

(b) A comment period of no less than 30 days but no more than 60 days from the date of mailing (postmark date) of the newsletter shall be allowed.

(c) At the end of the comment period the Secretary-Treasurer shall prepare a ballot requesting approval or disapproval of the proposed amendment. The ballot form shall include the full text of the proposed amendment and each ballot shall be identified by a unique number. The Secretary-Treasurer may, at their discretion, include information regarding the purpose and anticipated effects of the amendment as well as arguments for and against the amendment.

(d) The ballot shall be mailed to all Members by regular mail within 14 days of the end of the comment period. All ballots shall be mailed on the same day.

(e) A majority (50% + 1) of the ballots received within sixty (60) days from the mailing (postmark) date shall be sufficient to approve an amendment of the By-Laws.

(f) Only Members in good standing shall be eligible to (1) sponsor and/or sign proposals for amendments to the By-Laws or (2) to vote on amendments to the By-Laws.

ARTICLE XI. DUES

SECTION 1. The fiscal year of the Society shall correspond with the calendar year.

SECTION 2. The annual dues of Members shall be determined by the majority vote of the Board of Directors. The annual dues are payable in advance on the first day of each calendar year. A bill shall be mailed or included in the Newsletter mailed to each Member at least a month prior to such date stating the amount of dues and the penalties and conditions applicable to a default in payment. The Board of Directors may, by majority vote, establish a late fee to be

paid in addition to the annual dues if the dues are not paid prior to January 31st. Additional late fees may be established in the same manner for dues payments received after March 31st, June 30th, and September 30th. The late fee amount will be established by the postmark date, or the date the payment is rendered if not rendered by check.

The Executive Committee may at its discretion suspend or waive annual dues to Members serving in the armed forces of the United States, or any allied country, without otherwise affecting their status in the Society.

ARTICLE XII. MEMBERSHIP STATUS

SECTION 1. Any Member may resign from the Society at any time. Such resignation shall be in writing and shall be accepted by the Executive Committee.

SECTION 2. Any Member who owes a late fee in connection with payment of annual dues as specified in Article XI shall not be considered to be in good standing. Members not in good standing will not receive the benefits of membership, and they will pay Non-Member fees for all SPEE activities, services, and publications. Any Member who is more than one year in arrears in payment of dues shall be suspended from the Society. The administrator will mail a "Notice of Suspension" letter by November 10th using certified mail, return receipt requested, to inform such members of pending suspension effective February 1st if all dues and penalty amounts are not received or postmarked by January 31st.

SECTION 3. Any Member who resigns, is suspended, or is expelled under the provision of this article ceases to have any rights in the Society and ceases to incur further indebtedness to the Society.

SECTION 4. Any person who has ceased to be a Member under Section 1 or Section 2 of this article can be reinstated only with the unanimous approval to do so by the Executive Committee, the payment of any outstanding dues and other indebtedness to the Society on the date when they ceased to be a Member, and the submittal of a new application in accordance with the provisions of Article IV.

SECTION 5. Charges of misconduct in violation of Article VI or the Principles of Acceptable Evaluation Engineering Practice hereof shall first be submitted in writing to the President of the Society by a Member in good standing, with a full statement of the evidence on which the charges are based. If the President determines that the charges merit further consideration, the matter will be referred to the Grievance Committee for review. If the Grievance Committee determines that the facts warrant further action, it shall prepare and submit to the Executive Committee formal written charges against the accused Member. After the receipt of such formal charges, the Executive Committee shall set a date and place for a hearing thereon, and shall give to the accused person notice thereof in writing, sent by registered mail to that person's last known address not less than thirty (30) days before the hearing date scheduled, accompanied by a copy of the formal charges and a copy of this article.

SECTION 6. On the day fixed for the hearing, the accused person may appear and/or be represented by counsel before the Executive Committee, hear any witness called in support of the charges, cross-examine

any witness called in support of the charges, present witnesses, and submit oral or written statements. The Executive Committee may likewise present witnesses and have the right of cross-examination. The accused person may, by giving notice via certified mail to the President at the Society headquarters, which notice is postmarked not less than ten (10) days prior to the date of the hearing, waive personal appearance and request the Executive Committee to adjudge the matter on the basis of a written defense statement accompanying such letter. After the conclusion of the hearing or the study of the written defense submitted in lieu thereof, the Executive Committee shall vote to either sustain or dismiss the charges. The charges will be dismissed unless the Executive Committee votes unanimously to declare the charges sustained, and so doing the Executive Committee may suspend as a Member the accused person for a stated period of time, admonish the Member, allow the Member to resign, or expel the Member from the Society. Failure of the accused person to appear, or to submit a waiver letter and a written defense as in this section provided, shall not prevent the Executive Committee from rendering final judgment and taking action on the basis of the evidence available on the hearing date. The attendance of all four Members of the Executive Committee shall be required in order to conduct the hearing provided for in this section.

SECTION 7. Resignation of the accused person from the Society at any stage of the foregoing prescribed proceedings shall automatically terminate the proceedings.

SECTION 8. The decision of the Executive Committee in all matters pertaining to the interpretation and execution of the provisions of Section 5 and 6 of this article shall be final.

ARTICLE XIII. GRIEVANCE COMMITTEE

SECTION 1. The Executive Committee shall appoint a Grievance Committee, the purpose of which shall be to examine charges of misconduct that are referred to it under Article XII. The committee shall consist of three Members, one each from the banking, consulting and industry segments of the Society. The Members shall serve three-year staggered terms.

SECTION 2. The Executive Committee may alternatively appoint a Grievance Committee Chairman, who will solely represent the Grievance Committee until such time as a grievance matter is brought before it. At such time, the Chairman of the Grievance Committee, along with the Executive Committee, shall appoint two other Grievance Committee members such that the full Grievance Committee so formed meets the requirements established in Section 1 of this Article.

ARTICLE XIV. LOCAL CHAPTERS

Any ten (10) or more Members of the Society may form a local chapter of the Society in an area approved by the Executive Committee in order to conduct meetings and further promote the objectives and purposes of the Society. Applications for the formation of such local chapters shall be submitted in writing to the Executive Committee for approval. Local chapters shall elect their own Chairman, Vice Chairman and Secretary-Treasurer. Local chapters must conduct their business under the same guidelines as set forth in the

By-Laws of the Society. All funds of the local chapter shall be maintained in accounts separate from those of the Society. Each local chapter shall submit a financial report annually to the Board of Directors. The funds of each local chapter shall be included in the consolidated report submitted by the Society in its annual federal income tax report. Local chapters may be dissolved by proper action of the Executive Committee. The Executive Committee may direct that up to ten (10) percent of the annual membership dues paid by the Members of a local chapter to the Society be returned to that local chapter upon receipt of a written request to do so submitted with adequate justification documentation of need signed by two chapter officers.

ARTICLE XV. COUNCIL OF PAST-PRESIDENTS

The Council of Past-Presidents will provide counsel to the President on matters under consideration by the Executive Committee and Board of Directors which may affect more than one administration. The Council will also advise the Executive Committee regarding the SPEE Long Range Plan and priorities for its objectives and implementation.

SECTION 1. All SPEE Past-Presidents, in good standing, are eligible to volunteer and serve on the Council.

SECTION 2. The Chair of the Council shall be chosen annually by the Members of the Council. Only the five (5) most recent Past-Presidents serving, excluding the current Past-President, shall be eligible to be Chair of the Council. The current Past-President may serve as a Member of the Council but is not eligible to be the Chair.

SECTION 3. At least one Member of the Council will be present at each meeting of the SPEE Board of Directors. The Executive Committee may request that a Council representative attend any of its meetings.

SECTION 4. The Council shall form any sub-committees necessary to carry out their responsibilities.

SECTION 5. The Board and Executive Committee may make additional assignments to the Council.

SECTION 6. The Council shall submit at least one report annually to the Board of Directors on the Society's progress and the status of implementation of the SPEE Long Range Plan.

ARTICLE XVI. INDEMNIFICATION

Each person who serves as an Officer, Director, Member of the Executive Committee, or any Member of the Society serving as part of any Committee designated and formed by the President and/or Board of Directors of the Society shall be indemnified by the Society against any costs, expenses, or liabilities which may be imposed upon or reasonably incurred by such person in connection with any civil or criminal action, lawsuit or proceeding in which such person may be named as a party or defendant by reason of having served the Society in one of the above capacities or by reason of any action alleged to have been taken or omitted by such person in one of the above capacities. It is provided, however, that the right to indemnification herein provided shall not extend to any costs, expenses, or liabilities imposed upon or incurred by any Indemnified Person in relation to matters as to which such person shall be finally adjudged to be liable for negligence or misconduct in the performance of duties

as an Indemnified Person or to any sum paid by such person in settlement of any action, lawsuit, or proceeding based on alleged dereliction of duty.

The right of indemnification provided by this Article shall inure to each of the Indemnified Persons while acting in the designated capacities, whether or not the respective Indemnified Person is acting in such capacity at the time that such costs, expenses, or liabilities are imposed or incurred and whether or not the claim asserted is based on matters which precede the adoption of this Article. In the event of the death of an Indemnified Person, the indemnification shall extend to the legal representatives of the Indemnified Person.

ARTICLE XVII. POSITION STATEMENTS

Members of the Society, whether acting as individuals, as an officer or Director of the Society, as a committee, or as a Chapter of the Society, shall not issue any position statements on behalf of or in the name of the Society without first receiving the approval of the Board of Directors. Approval requires an affirmative vote by two-thirds of all eligible Members of the Board of Directors. For the purpose of this Article, a "position statement" shall mean (a) any letter, publication, professional paper, or any other written document and (b) any verbal communication, speech, or exchange that separately or collectively refers to, indicates or otherwise suggests that statements contained in the document or communication, in whole or in part, are approved or endorsed as the policy of SPEE. This definition shall not extend to the use of or quotation from any official publication of the Society.

Members of the Society wishing to make a position statement must submit a written request to the President of the Society. The request must include (1) the full text of the proposed statement, (2) the intended recipient(s), (3) the purpose of the statement, and (4) the time period within which approval of the request is requested. The President will present the request to the Board of Directors for review and shall request that the Board render a timely decision. If a Member of the Board does not vote on the proposal within a reasonable time, his vote shall be considered an affirmative vote.

It is not the intent of SPEE to enter into or to take partisan positions in legal, regulatory or governmental issues and proceedings. It is recognized that in any issue before a court, regulatory, or governmental agency there may be the possibility that (1) an SPEE Member, (2) the Member's employer or firm, or (3) a client of the Member or the Member's employer would be beneficially or adversely affected by the outcome of the issue. In such instances, the SPEE Member should not make a request to submit a position statement. If a Member of the Board of Directors has a potential conflict of interest, as described above, on a proposed position statement, he must notify the Board and be excluded from the voting on the proposed position statement.

By-Laws Approved July 16, 2007