

**NATIONAL PROTECTIVE SERVICES INSTITUTE
BY-LAWS**

ARTICLE I: NAME

Section 1. The name of the corporation is:
NATIONAL PROTECTIVE SERVICES INSTITUTE.

Section 2. Official use of the Institute's name shall be made only through the authority of the Board of Directors.

Section 3. The Corporation shall normally be referred to as the "Institute" throughout this document.

ARTICLE II: PURPOSE AND POWERS

Section 1. The primary purpose of the NATIONAL PROTECTIVE SERVICES INSTITUTE is to provide education and training for security, law enforcement, anti-terrorism, emergency management, emergency response services, personal defense, and related fields to help individuals prepare to work in the professional protection field and other related disciplines. Secondly, the Institute will offer management assistance, consultation, and research as necessary in these and related disciplines. Third, the Institute will offer continuing education and training programs to help individuals develop personal defense, emergency preparedness, and related skills. Last, the Institute will offer any other services, related to the aforementioned educational and training purposes, as legally allowed by a nonprofit corporation. The services and offerings of the Institute shall be limited to the purposes herein described.

Section 2. The NATIONAL PROTECTIVE SERVICES INSTITUTE is organized as a Texas non-profit corporation, with intent to apply for recognition as tax exempt under Section 501(c)(3) of the United States Internal Revenue Code.

Section 3. Notwithstanding any other provision of these By-Laws, no Director, Officer, employee, member, or representative of this Institute shall take any action or carry on any activity by or on behalf of the Institute not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code as it now exists or may be amended, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as it now exists or may be amended. No part of the net earnings of the Institute shall inure to the benefit or be distributable to any Director, Officer, Member, or other private person, except that the Institute shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Certificate of Formation/Articles of Incorporation and these By-Laws.

Section 4. The Institute shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to

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affect the educational and charitable purposes, for which the Institute is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes. The powers of the Institute may include, but not be limited to, the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions.

ARTICLE III: BOARD OF DIRECTORS

Section 1. The management of the affairs of the Institute is vested in the Board of Directors. The Board of Directors shall be composed of seven members who are responsible for ensuring the accomplishment of the Institute's mission and purpose, supporting institutional effectiveness and integrity, and protecting the interests of students, faculty members, and the general public.

Section 2. The initial members of the Board of Directors shall be appointed by the President.

Section 3. The Chairman of the Board of Directors shall be determined by vote of the Board.

Section 4. The Chairman of the Board of Directors shall discharge the usual responsibilities adhering to the office, to include presiding at meetings of the Board. The Chairman shall ensure the duties of the Board are accomplished per Section 1 of this Article, convene the Board at least annually (and at other times as appropriate), and present an annual report to the stakeholders of the Institute in such form and manner as prescribed.

Section 5. In order to be eligible to serve as a Director on the Board of Directors, individuals must be 18 years of age and an affiliate within affiliate classifications created by the Board of Directors. Directors may be elected at any board meeting by the majority vote of the existing Board of Directors. The election of Directors to replace those who have fulfilled their term of office shall take place early enough for the Director to assume duties in January of each year.

Section 6. With the advice and consent of the other members of the Board and Officers of the Institute, the Chairman shall initiate action to secure replacements in the event of vacancies either by incapacity or lack of performance of duties, to include offices not otherwise provided for in the By-Laws.

The Board of Directors may fill vacancies due to the expiration of a Director's term of office, resignation, death, or removal of a Director or may appoint new Directors to fill unfilled Board positions, subject to the number of Directors under these By-Laws. Vacancies in the Board of Directors due to resignation, death, or removal shall be filled by the Board for the balance of the term of the Director being replaced.

Section 7. The term of office for Directors is one year. The term of office shall be considered to begin January 1 and end December 31, unless the term is extended until such time as a successor has been elected. Directors may serve terms in succession.

Section 8. Directors may not receive compensation for carrying out their duties as Directors. The Board may, however, adopt policies providing for reasonable reimbursement of Directors

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for expenses incurred in conjunction with carrying out Board responsibilities, such as travel expenses to attend Board meetings.

Section 9. Directors are not restricted from being remunerated for professional services provided to the Institute. Such remuneration shall be reasonable and fair to the Institute and must be reviewed and approved in accordance with the Board Conflict of Interest Policy and state law.

Section 10. A Director may be removed from their position by majority vote of the remaining Directors and consent of the President. A Director may be removed at any time, with or without cause, if before any meeting of the Board at which a vote on removal will be made the Director in question is given electronic or written notification of the Board's intention to remove the Director from his or her position. The Director in question will be given the opportunity to discuss his or her case before the Board. A Director may resign at any time by giving written notice to the Institute without prejudice to the rights, if any, of the Institute under any contract to which the Director is a party.

Section 11. The President has approval or veto authority over any appointments for new Directors. Presidential vetoes may only be overridden by unanimous consent of the Board.

ARTICLE IV: MEETINGS

Section 1. An annual meeting shall be held at a time and place designated by the Chairman of the Board of Directors. A minimum of thirty days notice shall be provided to all stakeholders.

Section 2. All meetings of the Board of Directors shall be open to all members of the Board of Directors and Corporate Officers of the Institute. Board members and Corporate Officers may invite others as deemed necessary and approved by either the Chairman of the Board or the President.

Section 3. The manner of acting for meetings shall be as follows:

(a) Quorum. A majority of the Directors in office immediately before a meeting shall constitute a quorum for the transaction of business at that meeting of the Board. No business shall be considered by the Board at any meeting at which a quorum is not present, unless absentee votes have already been obtained. The number of absentee votes may be counted towards the quorum requirement.

(b) Majority Vote. Except as otherwise required by law, by the Articles of Incorporation/Certificate of Formation, or these By-Laws, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

(c) Hung Board Decisions. On the occasion that Directors of the Board are unable to make a decision based on a tied number of votes, the President shall have the power to swing the vote based on his or her discretion.

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(d) Participation. Except as required otherwise by law, the Certificate of Formation/Articles of Incorporation, or these By-Laws, Directors may participate in a regular or special meeting through the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting, including in person, internet video meeting or by telephonic conference call. Absentee votes may also be counted as participation.

Section 4. Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so taken, shall be agreed by the consensus of a quorum. For purposes of this section an e-mail transmission from an e-mail address on record constitutes a valid writing. The intent of this provision is to allow the Board of Directors to use email to approve actions, as long as a quorum of Board members gives consent.

ARTICLE V: COMMITTEES

Section 1. The Board may establish various committees for specific purposes (such as literature review, student recruitment, curriculum review, marketing, etc.) to provide recommendations to better serve the students, faculty members, and the community.

Section 2. The Board must establish an Academic Advisory Committee of at least five persons to evaluate the curriculum, instructional materials and media, equipment, and facilities to ensure they meet the needs of the job market.

Section 3. Committees will appoint a Committee Chairperson for each Committee who will report to the Chairman of the Board.

Section 4. Committees will not make decisions on behalf of the Board or the Institute unless provided express permission to do so by resolution of the Board.

ARTICLE VI: CORPORATE OFFICERS

Section 1. The affairs of the Institute are executed by the Officers of the Institute. Officers include the President, Secretary, and Treasurer.

Section 2. The President shall be the Chief Executive Officer of the Institute. The President shall exercise general supervision over all the affairs of the Institute (including its financial affairs), propose policies and programs, and bring such matters to the attention of the Board of Directors as are appropriate to keep the Board of Directors fully informed to meet their policy-making responsibilities. As the Chief Executive Officer, the President is empowered to appoint such officers and personnel and to perform all acts and execute all documents as necessary to effectively manage Institute affairs. The President shall be an ex officio member of all Committees. All officers of administration and members of the teaching faculty shall be responsible to the President of the Institute, or to such officer or officers as the President may

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designate, for the satisfactory performance of their respective duties as set forth by the President, or by such officer as the President may designate, except as provided in these By-Laws.

Section 3. The Secretary reports directly to the President. The Secretary is responsible for recording accurate and sufficient documentation to meet legal requirements (records management), and provides advice and counsel on Board responsibilities and logistics. The Secretary manages all Board and Committee meeting logistics, attends and records minutes of all Board and Committee meetings, facilitates Board communications, and advises the Board on its roles and responsibilities. The Secretary maintains key corporate documents and records, monitors corporate governance developments and assists the Board in tailoring governance practices to meet the Board's needs and stakeholder expectations. The Secretary is appointed by the President.

Section 4. The Treasurer serves as the Chief Financial Officer of the Institute. The Treasurer shall develop and manage strategies, operations, and policies related to the treasury function, including cash management, borrowing, payment processing, growth plans, and investing. The Treasurer shall forecast sources and uses of cash, to include the development of endowment opportunities, financial strategies, and action plans. As the Chief Financial Officer, the Treasurer shall ensure treasury activities are in compliance with treasury policies, accounting guidelines, governance policies, and internal controls. The Treasurer is appointed by the President.

Section 5. Succession. In the event of incapacitation or death of the President, the Treasurer shall immediately assume position and responsibilities of the President, and shall appoint a new Treasurer within 30 days. In the event of simultaneous incapacitation or death of both the President and Treasurer, the Secretary shall immediately assume position and responsibilities of the President, and shall appoint a new Secretary and Treasurer within 30 days. If an officer is only temporarily incapacitated, they shall only be temporarily replaced until they are capable of resuming duties.

Section 6. The President may only be terminated for willful and intentional violations of the law, and with unanimous consent of the Board of Directors. If the President disputes the termination, a mutually-agreed upon arbitrator shall be appointed, and both parties shall accept the decision of the arbitrator as final.

ARTICLE VII: CONTRACTS, CHECKS, INDEMNIFICATION AND RELATED MATTERS

Section 1. Except as otherwise provided by resolution of the Board or Board policy, all contracts, deeds, leases, mortgages, grants, and other agreements of the Institute shall be executed on its behalf by the Treasurer or other persons to whom the Institute has delegated authority to execute such documents in accordance with policies approved by the Board.

Section 2. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Institute, shall be signed by such Officer or Officers, agent

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or agents, of the Institute and in such manner as shall from time to time be determined by resolution of the Board.

Section 3. All funds of the Institute not otherwise employed shall be deposited from time to time to the credit of the Institute in such banks, trust companies, or other depository as the Board or a designated committee of the Board may select.

Section 4. No loans shall be contracted on behalf of the Institute and no evidence of indebtedness shall be issued in its name unless authorized by the Board. Such authority may be general or confined to specific instances.

Section 5. Officers and Directors shall be indemnified against actions or proceedings against them while lawfully, ethically, and morally acting on behalf of the Institute.

(a) **Mandatory Indemnification.** The Institute shall indemnify an Officer or former Officer, Director or former Director, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was an Officer or Director of the Institute against reasonable expenses incurred by him or her in connection with the proceedings.

(b) **Permissible Indemnification.** The Institute shall indemnify an Officer or Director made a party to a proceeding because he or she was or is an Officer or Director of the Institute against liability incurred in the proceeding if the determination to indemnify him or her if has been made in the manner prescribed by law, and payment has been authorized in a manner prescribed by law.

(c) **Advance for Expenses.** Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Institute in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of (1) a written affirmation from the Officer, Director, employee or agent of his or her good faith belief that he or she is entitled to indemnification as authorized in this article, and (2) an undertaking by or on behalf of the Officer, Director, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Institute in these By-Laws.

(d) **Indemnification of Officers, Agents and Employees.** An Officer of the Institute who is not a Director is entitled to mandatory indemnification under this article to the same extent as a Director. The Institute may also indemnify and advance expenses to an employee or agent of the Institute who is not a Director, consistent with Texas law and public policy, provided that such indemnification, and the scope of such indemnification, is set forth by the general or specific action of the Board or by contract.

ARTICLE VIII: NON-DISCRIMINATION POLICY

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The Institute admits students and provides employment to individuals of any race, color, national and ethnic origin, creed, religion, age, gender, sexual orientation, political affiliation, physical disability, or veteran status. It does not discriminate in any of these categories in administration of its employment policies, educational policies, admissions policies, scholarship and loan programs, and athletic or other school-administered programs, and provides all the rights, privileges, programs, and activities to all students and employees generally accorded or made available to any students or employees at the school.

ARTICLE IX: COUNTERTERRORISM AND DUE DILIGENCE POLICY

In furtherance of its exemption by contributions to other organizations, domestic or foreign, the NATIONAL PROTECTIVE SERVICES INSTITUTE shall stipulate how the funds will be used and shall require the recipient to provide the Institute with detailed records and financial proof of how the funds were utilized.

Although adherence and compliance with the US Department of Treasury's publication the "Voluntary Best Practice for US Based Charities" is not mandatory, NATIONAL PROTECTIVE SERVICES INSTITUTE willfully and voluntarily recognizes and puts to practice these guidelines and suggestions to reduce, develop, re-evaluate, and strengthen a risk-based approach to guard against the threat of diversion of charitable funds or exploitation of charitable activity by terrorist organizations and their support networks.

The NATIONAL PROTECTIVE SERVICES INSTITUTE shall also comply and put into practice the federal guidelines, suggestion, laws and limitation set forth by pre-existing US legal requirements related to combating terrorist financing, which include, but are not limited to, various sanctions programs administered by the Office of Foreign Assets Control (OFAC) in regard to its foreign activities.

ARTICLE X: DOCUMENT RETENTION POLICY

Section 1. The purpose of this Document Retention Policy is establishing standards for document integrity, retention, and destruction and to promote the proper treatment of NATIONAL PROTECTIVE SERVICES INSTITUTE records.

Section 2. Records should not be kept if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

From time to time, the NATIONAL PROTECTIVE SERVICES INSTITUTE may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified

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categories should be primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents and any other pertinent factors.

The NATIONAL PROTECTIVE SERVICES INSTITUTE expects all Directors, Officers, and employees to comply fully with any published records retention or destruction policies and schedules, provided that all Directors, Officers and employees should note the following general exception to any stated destruction schedule: If you believe, or the NATIONAL PROTECTIVE SERVICES INSTITUTE informs you, that records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

Section 3. Minimum retention periods for specific categories of records are as follows:

(a) Corporate Documents. Corporate records include the Institute's Articles of Incorporation, By-Laws and IRS Form 1023 and Application for Exemption. Corporate records should be retained permanently. IRS regulations require that the Form 1023 be available for public inspection upon request.

(b) Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning the Institute's revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.

(c) Employment Records/Personnel Records. State and federal statutes require the Institute to keep certain recruitment, employment and personnel information. The Institute should also keep personnel files that reflect performance reviews and any complaints brought against the Institute or individual employees under applicable state and federal statutes. The Institute should also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for three years. Retirement and pension records should be kept permanently. Other employment and personnel records should be retained for seven years.

(d) Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the Institute's minute book. A clean copy of all other Board and Board Committee materials should be kept for no less than three years by the Institute.

(e) Press Releases/Public Filings. The Institute should retain permanent copies of all press releases and publicly filed documents under the theory that the Institute should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the Institute.

(f) Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.

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(g) Marketing and Sales Documents. The Institute should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally three years. An exception to the three-year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.

(h) Development/Intellectual Property and Trade Secrets. Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). The documents detailing the development process are often also of value to the Institute and are protected as a trade secret where the Institute:

- (i) derives independent economic value from the secrecy of the information; and
- (ii) has taken affirmative steps to keep the information confidential.

The Institute should keep all documents designated as containing trade secret information for at least the life of the trade secret.

(i) Contracts. Final, execution copies of all contracts entered into by the Institute should be retained. The Institute should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.

(j) Correspondence. Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for two years.

(k) Banking and Accounting. Accounts payable ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for three years. Any inventories of products, materials, and supplies and any invoices should be kept for seven years.

(l) Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.

(m) Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for three years.

(n) Student Records. All student records shall be maintained permanently.

Section 4. Electronic Mail (E-mail) that needs to be saved should be either:

- (a) printed in hard copy and kept in the appropriate file; or

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(b) downloaded to a computer file and kept electronically or on disk as a separate file. The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.

ARTICLE XI: Transparency and Accountability Disclosure of Financial Information With The General Public

Section 1. By making full and accurate information about its mission, activities, finances, and governance publicly available, the NATIONAL PROTECTIVE SERVICES INSTITUTE practices and encourages transparency and accountability to the general public. This policy will:

(a) indicate which documents and materials produced by the Institute are presumptively open to staff and/or the public.

(b) indicate which documents and materials produced by the Institute are presumptively closed to staff and/or the public.

(c) specify the procedures whereby the open/closed status of documents and materials can be altered.

Section 2. The details of this policy are as follow:

The NATIONAL PROTECTIVE SERVICES INSTITUTE shall provide its Internal Revenue forms, By-Laws, Conflict of Interest Policy, and financial statements to the general public for inspection free of charge.

The NATIONAL PROTECTIVE SERVICES INSTITUTE shall make “Widely Available” the aforementioned documents on its internet website: www.NPSIonline.net to be viewed and inspected by the general public.

(a) The documents shall be posted in a format that allows an individual using the Internet to access, download, view and print them in a manner that exactly reproduces the image of the original document filed with the IRS (except information exempt from public disclosure requirements, such as contributor lists).

(b) The website shall clearly inform readers that the document is available and provide instructions for downloading it.

(c) The NATIONAL PROTECTIVE SERVICES INSTITUTE shall not charge a fee for downloading the information. Documents shall not be posted in a format that would require special computer hardware or software (other than software readily available to the public free of charge).

(d) The NATIONAL PROTECTIVE SERVICES INSTITUTE shall inform anyone requesting the information where this information can be found, including the web address. This

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information must be provided immediately for in-person requests and within 7 days for mailed requests.

Section 3. The NATIONAL PROTECTIVE SERVICES INSTITUTE shall submit any required forms to the Board of Directors prior to filing with the IRS or other governing body. While neither the approval of these forms or a review of these forms are required under Federal law, the Institute shall be submit these forms to each member of the Board of Director's (via hard copy or E-mail) at least 3 days before the forms are filed with the IRS or other governing body.

Section 4. Board Records.

(a) All Board deliberations shall be open to the public except where the board passes a motion to make any specific portion confidential.

(b) All Board minutes shall be open to the public once accepted by the Board, except where the board passes a motion to make any specific portion confidential.

(c) All papers and materials considered by the Board shall be open to the public following the meeting at which they are considered, except where the Board passes a motion to make any specific paper or material confidential.

Section 5. Staff Records.

(a) All staff records shall be available for consultation by the staff member concerned or by their legal representatives.

(b) No staff records shall be made available to any person outside the Institute except the authorized governmental or governing agencies.

(c) Within the Institute, staff records shall be made available only to those persons with managerial or personnel responsibilities for that staff member, except that

(d) Staff records shall be made available to the Board when requested.

Section 6. Donor Records

(a) All donor records shall be available for consultation by the members and donors concerned or by their legal representatives.

(b) No donor records shall be made available to any other person outside the Institute except the authorized governmental agencies.

(c) Within the Institute, donor records shall be made available only to those persons with managerial or personnel responsibilities for dealing with those donors, except that;

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(d) donor records shall be made available to the Board when requested.

ARTICLE XII: CODES OF ETHICS AND WHISTLEBLOWER POLICY

Section 1. The NATIONAL PROTECTIVE SERVICES INSTITUTE requires and encourages Directors, Officers and employees to observe and practice high standards of business and personal ethics in the conduct of their duties and responsibilities. The employees and representatives of the Institute must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. It is the intent of the NATIONAL PROTECTIVE SERVICES INSTITUTE to adhere to all laws and regulations that apply to the Institute and the underlying purpose of this policy is to support the Institute's goal of legal compliance. The support of all Institute staff is necessary to achieving compliance with various laws and regulations.

Section 2. If any Director, Officer, staff member or employee reasonably believes that some policy, practice, or activity of the Institute is in violation of law, a written complaint must be filed by that person with the Chairman of the Board and/or the President.

Section 3. Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false shall be viewed as a serious disciplinary offense.

Section 4. Said person is protected from retaliation only if she/he brings the alleged unlawful activity, policy, or practice to the attention of the NATIONAL PROTECTIVE SERVICES INSTITUTE and provides the NATIONAL PROTECTIVE SERVICES INSTITUTE with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to individuals that comply with this requirement.

The NATIONAL PROTECTIVE SERVICES INSTITUTE shall not retaliate against any Director, Officer, staff member, or employee who in good faith, has made a protest or raised a complaint against some practice of the NATIONAL PROTECTIVE SERVICES INSTITUTE or of another individual or entity with whom the NATIONAL PROTECTIVE SERVICES INSTITUTE has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

The NATIONAL PROTECTIVE SERVICES INSTITUTE shall not retaliate against any Director, Officer, staff member, or employee who discloses or threatens to disclose to a supervisor or a public body, any activity, policy, or practice of the NATIONAL PROTECTIVE SERVICES INSTITUTE that the individual reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy concerning the health, safety, welfare, or protection of the environment.

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Section 5. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Section 6. The Chairman of the Board or the President shall notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports shall be promptly investigated by the Board and its appointed committee and appropriate corrective action shall be taken if warranted by the investigation.

This policy shall be made available to all Directors, Officers, staff members, or employees and they shall have the opportunity to ask questions about the policy.

ARTICLE XIII: MISCELLANEOUS

Section 1. The Institute shall keep correct and complete books and records of account and shall keep the minutes of proceedings of all meetings of the Board of Directors, a record of all actions taken by the Board, and a record of all actions taken by committees. In addition, the Institute shall keep a copy of the Institute's Certificate of Formation/Articles of Incorporation and By-Laws as amended to date.

Section 2. The fiscal year of the Institute shall be from January 1st through December 31st.

Section 3. The Board shall adopt and periodically review a Conflict of Interest Policy to protect the Institute's interests when it is contemplating any transaction or arrangement which may benefit any Director, Officer, employee, affiliate, or committee member with Board-delegated powers.

ARTICLE XIV: BY-LAWS AND AMENDMENTS TO BY-LAWS

Section 1. Amendments to these By-Laws may be initiated by any member of the Board or Officer of the Institute.

Section 2. Amendments initiated as specified in Section 1 of this Article shall be voted upon by the Directors during the annual Board meeting, or other such stated meeting for the purpose of amending By-Laws. A written notice of the proposed amendment or amendments shall be distributed at least one month prior to the vote. A majority consensus of the members voting shall be required for adoption. All Board members must be provided the opportunity to vote. Those unable to attend in person may attend virtually, or vote in absentia through proxy or absentee ballot.

Section 3. The President has approval or veto authority over any amendments adopted to the By-Laws by the Board of Directors. Presidential vetoes may only be overridden by unanimous consent of the Board.

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Section 4. By-Laws and amendments are signed by the President and recorded by the Secretary.

ARTICLE XV: DISSOLUTION

Upon the dissolution of the Institute as a non-profit corporation, all liabilities and obligations shall be paid first. Remaining assets shall be distributed only for tax-exempt purposes to one or more organizations that are exempt within the meaning of 501 (c) 3 of the Internal Revenue Code, or the corresponding section of any future federal tax code, as provided in a plan of distribution adopted by the Institute under law.

ARTICLE XVI: PARLIAMENTARY AUTHORITY

Section 1. In all matters not covered by these By-Laws, the parliamentary guide shall be Roberts Rules of Order as revised most recently.

Section 2. The governance of the Institute is organized to ensure checks and balances and fair distribution of control between the legislative body (the Board of Directors), the executive body (the President), and the judicial body (arbitrator or appropriate governing authority.)

Section 3. If any stakeholder is dissatisfied with the actions or decisions of the Board or the President, and believes them to be substantially detrimental to the Institute, a complaint may be filed with the appropriate governing authority for the category of complaint or appeal with:

- (a) Texas Workforce Commission, Career Schools and Colleges Division, Austin, TX.
- (b) Texas Higher Education Coordinating Board, College Readiness and Success Division, Austin, Texas
- (c) Texas Department of Public Safety Licensing and Registration Service –Private Security Program, Austin, Texas
- (d) Office of the Attorney General Consumer Protection Division, Austin, TX
- (e) Accrediting Agency or Commission

APPROVED BY:


Jason McLendon, President (October 12, 2015)
National Protective Services Institute