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**REVISED AGENDA
2020-2021 BOARD OF GOVERNORS MEETING**

**Tuesday, December 15, 2020
3:00 pm to 5:00 pm (EST)**

1. Opening of the Meeting (Start Time 3:00 pm)

- 1.1. Call to Order
Bryan Erler
- 1.2. Adoption of the Agenda ACTION
- 1.3. President's Remarks (10 minutes) DISCUSSION
Bryan Erler
- 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. Retirement Plan Amendment

2. Open Session Agenda Items

- 2.1. Expansion of the Board (30 minutes) ACTION
Bryan Erler
- 2.2. Board Selects President (30 minutes) ACTION
Rich Laudenat and John Delli Venneri
- 2.3. TEC Organization (30 minutes) ACTION
Rich Laudenat
- 2.4. ISIE/Techstreet Update (10 minutes) INFORMATION
Tom Costabile and Michael Johnson

3. New Business

3.1. Dates of Future Meetings

DATE	DAY	TIME	LOCATION
January 20, 2021	Wednesday	2:00 PM – 4:00 PM	Zoom Conference Call
April 14, 2021	Wednesday	2:00 PM – 4:00 PM	Zoom Conference Call
June 14, 2021	Monday	1:00 PM – 4:00 PM	Zoom Conference Call
June 15, 2021*	Tuesday	1:00 PM – 3:30 PM	Zoom Conference Call

*2021-2022 Board of Governors

4. Adjournment

List of Appendices

- 1.5.1 Retirement Plan Amendment
- 2.1 Expansion of the Board
- 2.2 Board Selects President
- 2.3 TEC Organization
- 2.4 ISIE/Techstreet Update



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

Date Submitted:	November 20, 2020
BOG Meeting Date:	December 15, 2020
To:	Board of Governors
From:	Peter Cestaro
Presented by:	Michael Johnson
Agenda Title:	Retirement Plan Amendment

Agenda Item Executive Summary:

The 401k Retirement Plan is being amended to reinstate the previously suspended 4% base contribution to employees. The reinstatement of the 4% Base contribution will be effective January 1, 2021.

This will also include a one-time retroactive payment to cover the 4% contributions for the period from July 1, 2020 through December 31, 2020.

This has been approved by the Retirement Plan Committee and supported by the Executive Committee.

Proposed motion for BOG Action:

Approved the proposed Resolutions and Amendment

**The American Society of Mechanical Engineers
Retirement Plan Committee**

Resolutions Regarding the 401(k) Plan

WHEREAS, The American Society of Mechanical Engineers (“ASME”) sponsors and maintains the American Society of Mechanical Engineers 401(k) Plan (the “401(k) Plan”) for the benefit of its eligible employees; and

WHEREAS, the Retirement Plan Committee (the “Committee”) has been designated to carry out certain functions with respect to the retirement plans maintained by ASME, including the 401(k) Plan; and

WHEREAS, ASME desires at this time to amend the 401(k) Plan to resume making the fixed employer nonelective contribution equal to four percent (4%) of compensation, which was previously suspended effective July 1, 2020; and

WHEREAS, ASME also desires to make up the fixed employer nonelective contributions that were not made due to the suspension of such contributions, with such make up contribution to be made in on or about January 1, 2021; and

WHEREAS, the Committee has considered the foregoing changes and has concluded that such changes are in the best interests of ASME;

NOW, THEREFORE, BE IT RESOLVED, that the Committee recommends to the Board of Governors of ASME (the “Board”) that the 401(k) Plan be amended, effective December 15, 2020, to resume making the fixed employer nonelective contribution equal to four percent (4%) of compensation, as set forth in Section 29.A.d of the 401(k) Plan’s adoption agreement; and be it further

RESOLVED, that the Committee recommends to the Board that the 401(k) Plan be further amended to allow ASME to make up the fixed employer nonelective contributions that were not made due to the suspension of such contributions; and be it further

RESOLVED, that the Committee recommends to the Board that the authorized officers and employees of ASME be authorized and empowered to take such actions, and to prepare and execute such agreements, documents and instruments, as they, in their sole judgment, deem necessary or desirable to effectuate the intent of the foregoing resolutions, including, without limitation, approving and adopting the final form of an Amendment to the 401(k) Plan and communicating the terms of such amendment to 401(k) Plan participants.

**The American Society of Mechanical Engineers
Board of Governors**

Resolutions Regarding the 401(k) Plan

WHEREAS, The American Society of Mechanical Engineers (“ASME”) sponsors and maintains the American Society of Mechanical Engineers 401(k) Plan (the “401(k) Plan”) for the benefit of its eligible employees; and

WHEREAS, the 401(k) Plan provides that ASME, by action of its Board of Governors (the “Board”), may amend the Plan at any time; and

WHEREAS, ASME desires at this time to amend the 401(k) Plan to resume making the fixed employer nonelective contribution equal to four percent (4%) of compensation, which was previously suspended effective July 1, 2020; and

WHEREAS, ASME also desires to make up the fixed employer nonelective contributions that were not made due to the suspension of such contributions, with such make up contribution to be made on or about January 1, 2021; and

WHEREAS, the ASME Retirement Plan Committee has considered the foregoing changes and has recommended that the Board adopt such changes; and

WHEREAS, the Board has considered the foregoing changes and has concluded that such changes are in the best interests of ASME;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the adoption of an Amendment to the 401(k) Plan, effective December 15, 2020, substantially in the form attached hereto in Exhibit A, to resume making the fixed employer nonelective contribution equal to four percent (4%) of compensation and to make up such contributions that were not made while such contributions were suspended, and be it further

RESOLVED, that the authorized officers and employees of ASME shall be, and hereby are, authorized and empowered to take such actions, and to prepare and execute such agreements, documents and instruments, as they, in their sole judgment, deem necessary or desirable to effectuate the intent of the foregoing resolutions, including, without limitation, approving and adopting the final form of an Amendment to the 401(k) Plan and communicating the terms of such amendment to 401(k) Plan participants.

EXHIBIT A

**Amendment to
The American Society of Mechanical Engineers
401(k) Plan**

The Adoption Agreement to The American Society of Mechanical Engineers 401(k) Plan, effective as of January 1, 2020, is hereby amended as follows:

1. Subparagraph 29.A.d of the Adoption Agreement is amended in its entirety, effective December 15, 2020, to read as follows:

“Other: Fixed contribution equal to 4% of Compensation of Participants eligible to share in allocations; provided that such fixed contribution shall only apply to Compensation attributable to service with respect to periods ending on or before June 30, 2020 (the “Suspension Date”), and to periods beginning on and after January 1, 2021 (the “Resumption Date”). Additionally, the Employer shall make one or more additional contributions for the 2020 Plan Year to make up for the fixed contributions that were not made with respect to Compensation attributable to the period between the Suspension Date and the Resumption Date (the “Suspension Period”) on behalf of Participants who would have been eligible to share in allocations of the fixed contribution during the Suspension Period if such contributions had not been suspended. A Participant’s allocation of such make-up contributions shall be based on the Participant’s Compensation during the Suspension Period to the extent such Compensation has not been previously considered for purposes of allocating the Participant’s fixed contribution. The foregoing make-up contributions shall be considered Code section 415 annual additions for the 2020 Plan Year. Additionally, a tiered transition benefit shall be contributed for the benefit of employees who were participants in the American Society of Mechanical Engineers Pension Plan (the “Pension Plan”) as of December 31, 2016, to help offset a reduction in projected retirement benefits at Normal Retirement Date under the Pension Plan. The transition benefit is based in part on how many years away the Pension Plan participant is from Normal Retirement Date under the Pension Plan as of January 1, 2017 (the “Date”) when such participant could anticipate being eligible to receive a full unreduced (for any early

commencement factors) retirement pension. The schedule for such transition benefit is as follows: More than 25 years from Normal Retirement Date and pension eligibility under the Pension Plan as of such Date: 0.5%; More than 20 years from Normal Retirement Date (but less than 25) and pension eligibility under the Pension Plan as of such Date: 1.0%; More than 15 years from Normal Retirement Date (but less than 20) and pension eligibility under the Pension Plan as of such Date: 3.0%; More than 10 years from Normal Retirement Date (but less than 15) and pension eligibility under the Pension Plan as of such Date: 6.5%; Between 10 years and one month from Normal Retirement Date and pension eligibility under the Pension Plan as of such Date: 8.0%. Such contributions shall be made commencing January 1, 2017 and continuing through the month that the participant reaches Normal Retirement Date under the Pension Plan. Although ASME anticipates being able to make such contributions as described above through the participant's Normal Retirement Date, ASME, for calendar years following 2017, reserves the right to modify prospectively the transition contributions."

2. Save and except as herein expressly amended, the Adoption Agreement shall continue in full force and effect.

This Amendment is hereby adopted this 15th day of December, 2020.

**THE AMERICAN SOCIETY OF
MECHANICAL ENGINEERS**

By: _____

Name: _____

Title: _____

EXHIBIT A

**Amendment to
The American Society of Mechanical Engineers
401(k) Plan**

The Adoption Agreement to The American Society of Mechanical Engineers 401(k) Plan, effective as of January 1, 2020, is hereby amended as follows:

1. Subparagraph 29.A.d of the Adoption Agreement is amended in its entirety, effective _____, 20____, to read as follows:

~~“Other: Fixed contribution equal to 4% of Compensation of Participants eligible to share in allocations; provided that such fixed contribution shall only apply to Compensation attributable to service with respect to periods ending on or before June 30, 2020, and also excluding any bonuses or incentive compensation payable after June 30, 2020 but attributable to service on or before June 30, 2020-2020 (the “Suspension Date”), and to periods beginning on and after _____, 2020 (the “Resumption Date”).~~
Additionally, the Employer shall make one or more additional contributions for the 2020 Plan Year to make up for the fixed contributions that were not made with respect to Compensation attributable to the period between the Suspension Date and the Resumption Date (the “Suspension Period”) on behalf of Participants who would have been eligible to share in allocations of the fixed contribution during the Suspension Period if such contributions had not been suspended. A Participant’s allocation of such make-up contributions shall be based on the Participant’s Compensation during the Suspension Period to the extent such Compensation has not been previously considered for purposes of allocating the Participant’s fixed contribution. The foregoing make-up contributions shall be considered Code section 415 annual additions for the 2020 Plan Year. Additionally, a tiered transition benefit shall be contributed for the benefit of employees who were participants in the American Society of Mechanical Engineers Pension Plan (the “Pension Plan”) as of December 31, 2016, to help offset a reduction in projected retirement benefits at Normal Retirement Date under the Pension Plan. The transition benefit is based in part on how many years away the Pension Plan participant is from Normal Retirement Date under the Pension Plan

as of January 1, 2017 (the “Date”) when such participant could anticipate being eligible to receive a full unreduced (for any early commencement factors) retirement pension. The schedule for such transition benefit is as follows: More than 25 years from Normal Retirement Date and pension eligibility under the Pension Plan as of such Date: 0.5%; More than 20 years from Normal Retirement Date (but less than 25) and pension eligibility under the Pension Plan as of such Date: 1.0%; More than 15 years from Normal Retirement Date (but less than 20) and pension eligibility under the Pension Plan as of such Date: 3.0%; More than 10 years from Normal Retirement Date (but less than 15) and pension eligibility under the Pension Plan as of such Date: 6.5%; Between 10 years and one month from Normal Retirement Date and pension eligibility under the Pension Plan as of such Date: 8.0%. Such contributions shall be made commencing January 1, 2017 and continuing through the month that the participant reaches Normal Retirement Date under the Pension Plan. Although ASME anticipates being able to make such contributions as described above through the participant’s Normal Retirement Date, ASME, for calendar years following 2017, reserves the right to modify prospectively the transition contributions.”

2. Save and except as herein expressly amended, the Adoption Agreement shall continue in full force and effect.

This Amendment is hereby adopted this _____ day of _____, 20__.

**THE AMERICAN SOCIETY OF
MECHANICAL ENGINEERS**

By: _____

Name: _____

Title: _____

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Document comparison by Workshare 9.5 on Tuesday, October 27, 2020 4:24:35 PM

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Document 2 ID	interwovenSite://DMS-EAST/DMEAST/42555628/3
Description	#42555628v3<DMEAST> - ASME: 401(k) Amendment (restoration of employer 4% basic nonelective contribution)
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Deletion	
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Moved to	
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Format change	
Moved deletion	
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Moved cell	
Split/Merged cell	
Padding cell	

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Moved to	0
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Format changed	0

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Total changes	6
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Expansion of ASME Board of Governors

Bryan Erler



Purpose of This Action

- Develop the rules to allow the ASME BOG to expand the number of governors for a specific purpose and a limited time.
- This could be to accommodate the desire of a major donor or to fill the gap of a specific expertise on the board.
- Reflects the “best practice” of many boards

Motion

- Authorize the Executive Director/CEO to draft ASME Constitutional changes to provide for the Board of Governors to expand the number of governors on the BOG for a specific reason.
- Authorize the Executive Director/CEO to draft Bylaw and Operating Guide changes to reflect the Board of Governors expansion of the number of governors on the BOG.

Board Selection of the ASME President

Rich Laudenat



Desired Outcomes

- **Brief Description** – This discussion will focus on the Board’s Direction on the next steps regarding the self-selection of the ASME President
- **Desired Outcome** – The Board will vote on the two items in the Motion
- **Questions** – The meeting will be held in an open discussion format to facilitate input from the Board to aid in decision making.
- **Duration** – 45 Minutes have been allocated to this discussion

What are we trying to solve?

- ASME continues with a model where the President of the Society is selected by an independent committee who have no experience with the candidate
- The BOG has no input into the process and in reality the BOG is the best judge of demonstrated leadership skills for Governors who aspire to be President
- Best Practice in most Boards is they select their own members and leader

Where Are We?

- Several expansive Board discussions have been held around the principles around the change in approach
- Each Governor has completed an in-depth interview which focused on options to consider for both Board leadership and President selection
- The Committee of Past Presidents has completed discussions on various options and provided recommendations on President Selection

What do we know?

- Selection of the President by the BOG ... to date there is no consensus
- There is no preference for a separate Chair
- A second BOG term is not recommended
- Immediate Past President remains a member of EC and is a voting member of the Board
- SVPs report to the President to keep the Board Strategic

What is the desired end state?

- Adopt “Best Practices” ... Board Selects President

How do we get there?

- Begin with Constitutional changes necessary to allow this change
- Draft Bylaw changes to reflect this approach
- Discuss expectations with the Nominating Committee
- Socialize changes with COR, CPP and SVPs

Motion

- Request the Executive Director/CEO to draft ASME Constitutional changes to provide for the Board of Governors to select the President from any Corporate Member.
- Request the Executive Director/CEO to draft Bylaw and Operating Guide changes to reflect the Board of Governors selecting the President.

TEC Organization

Rich Laudenat



Technology Sector Update

Proposed Technology Sector Engagement

Observations

- Need to coordinate activities of Strategy team and Technology Groups
- Need to accelerate ASME engagement of digital and emerging technologies
- Enhance approach to a more outcome focus methodology
- Leverage both internal and external intellectual capital

Recommended Engagement Strategy

ASME Strategy Team

- Identification of key technologies and industries
- Directional white papers or guidance documents
- Bi-monthly meeting with TEC leadership
- Staff lead incubator pilots

Incubator Pilots

- Intelligent Manufacturing
- Digital Engineering
- Robotics
- Clean Energy
- Space



ASME Technology Sector

- Communication of ASME strategic directions to Technology groups
- Ensure collaboration amongst Technology Groups



Technical Divisions

- Shape activities and events to conform with strategic direction

ISIE/Techstreet Update

Tom Costabile and Michael Johnson



International Society of Interdisciplinary Engineers (ISIE)

Board of Governors Update

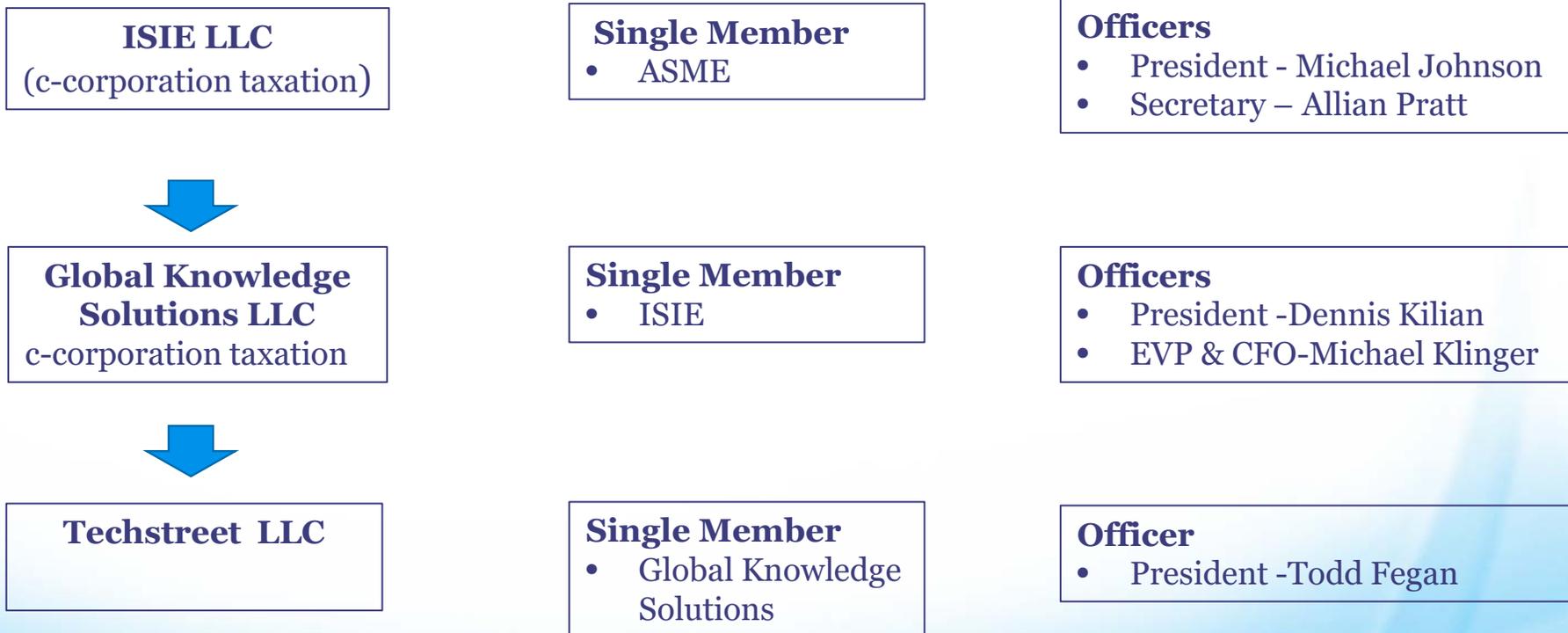
ISIE Update

- Key accomplishment since November 6, 2020
 - Corporate structure in place based on recommendations of external tax counsel
 - Governance structure developed and being implemented
 - Senior management team engaged and on board
 - Transition team comprised and underway
- Transition activities on track

Clifton Larsen Allen - Recommendations

- Implement a tiered Limited Liability Corporation (LLC) structure
- Ensure the Limited Liability Corporations are taxed as C-Corporations
- ASME Board of Governors – Power to Appoint /Remove ISIE Board
 - Limit the number of common Board Members

Governance Structure - Legal



Governance Structure - Management



* not current member of the ASME Board of Governors



Tax Implications of Structure

