

**BYLAWS  
OF  
AirFuel Alliance  
a California nonprofit mutual benefit corporation**

**October 4, 2017**

**ARTICLE I  
NAME AND CORPORATE OFFICES**

**Section 1.1 Name.** The name of this corporation shall be AirFuel Alliance (the “*Corporation*”) or such name as may be approved by the Members (as defined below), and set forth in the Articles of Incorporation of the Corporation, as may be amended from time to time (the “*Articles of Incorporation*”).

**Section 1.2 Offices.** The Board of Directors of the Corporation (the “*Board of Directors*” or the “*Board*”) shall determine, and may change, from time to time, the location of the Corporation’s principal office. The Corporation may have such other offices, either within or outside of the State of California, as the Board may determine or as the affairs of the Corporation may require from time to time.

**ARTICLE II  
PURPOSE**

**Section 2.1 General Purpose.** This Corporation is organized for the purpose of engaging in any lawful act or activity, other than credit union business, for which a corporation may be organized under the Nonprofit Mutual Benefit Corporation Law (the “*Statute*”).

**Section 2.2 Specific Purpose.** The specific purpose of the Corporation shall be as stated in the Articles of Incorporation, which currently state that its purpose is to support the common interests of members, users and developers of wireless power transfer technology products and services (“*Wireless Power Technology*”) to (i) promote global standardization of Wireless Power Technology, (ii) develop Wireless Power Technology protocols, products and services, (iii) promote Wireless Power Technology certification programs, (iv) effect Wireless Power Technology-friendly regulatory and legislative activities (where applicable), and (v) to do anything reasonably necessary to achieve the above purpose, all in accordance with Section 501(c)(6) of the Internal Revenue Code of 1986, as amended.

**Section 2.3 Joint Research and Development Venture.** In working toward the achievement of the Corporation’s specific purpose stated in Section 2.2 above, the Corporation and its Members (as defined in Section 3.1 below) intend to comply with the National Cooperative Research and Production Act, 15 U.S.C.A. §4301 et seq., and to engage in a “joint research and development venture” as defined therein. The Corporation and its Members are individually and collectively committed to open competition in the development of products, technology and services, and the Members are not restricted in any way from designing, developing, marketing, and/or procuring hardware, software, systems, technology, or services. Implementation or use of the Wireless Power Technology and the Specifications (as defined in the Intellectual Property Rights Policy of the Corporation (the “*IPR Policy*”)) will be voluntary, and no Member shall be obliged to implement them by virtue of participation in the Corporation.

**Section 2.4 Support for Antitrust Laws.** The specific purpose of the Corporation stated in Section 2.2 above prohibits discussions or activities on any topic that could have an adverse

impact on national or international competition or trade or could violate any national or international law regarding competition or trade.

## **ARTICLE III MEMBERSHIP**

### **Section 3.1 Member Classifications and Qualifications.**

- (a) Member Classifications; Number of Members. The Corporation shall have two classes of voting members within the meaning of Section 5056 of the Statute, which shall be referred to, respectively, as “*Sponsor Members*” and “*Full Members*” (collectively, Sponsor Members and Full Members shall be referred to herein as “*Members*” and each, a “*Member*”). There shall be no more than eighteen (18) Sponsor Members. There shall be no limit on the number of Full Members. Each Sponsor Member shall have the right to designate one Designated Director and one Designated Alternate Director (as set forth in Section 4.6(b) of these Bylaws of the Corporation (these “*Bylaws*”). Collectively, the Sponsor Members shall elect the Full Directors and the Full Alternate Directors (as set forth in Section 4.6(c) of these Bylaws).
- (b) Member Qualifications. Companies that are or intend to be providers or users of Wireless Power Technology products or services, including but not limited to core technology providers, chip manufacturers, original design manufacturers, original equipment manufacturers, consumer electronics manufacturers, automobile and automobile equipment manufacturers, furniture manufacturers, wireless service providers, retail sales organizations, and others approved by the Board of Directors, shall be eligible to apply to become Members.
- (c) Other Participants. The Corporation may have such classes of non-voting participants without the rights provided in Section 5056 of the Statute, as the Board may determine from time to time. Such classes of non-voting participants shall be granted such rights, privileges and obligations as the Board approves. The Board may, at its discretion, change or eliminate such existing classes of non-voting participants in the Corporation, and create one or more additional classes of non-voting participants in the Corporation. Such classes of non-voting participants may be granted such names, rights, privileges and obligations as the Board approves. The use of the term “member” to refer to any person or entity associated with the Corporation shall not be deemed to grant such person or entity any of the rights specified in Section 5056(a) of the Statute and such persons or entities shall have no such rights unless otherwise specifically approved by the Board as Members in accordance with this Article III.

**Section 3.2 Membership Application, Agreement & Fees.** The membership application for each class of membership shall be established, and revised from time to time, by the Board (each, a “*Membership Application*”). Membership fees and payment terms for each class of membership shall be established, and revised from time to time, by the Board and set forth in a schedule that shall be made available to all Members under terms established by the Board from time to time (“*Membership Fee*” or “*Membership Fees*”). The membership agreement for each class of membership shall be established by the Board (each, a “*Membership Agreement*”). The Board may, from time to time and at any time, change the terms of the form of Membership Agreement. After any such change is approved by the Board, the modified Membership

Agreement will apply to all new applicants for membership (as set forth in Section 3.3(a) below) and to all Members renewing their membership (as set forth in Section 3.3(c) below).

### **Section 3.3 Membership Rules.**

(a) Becoming a Member.

(1) Full Members. An entity wishing to join the Corporation as a Full Member shall apply for such status by submitting (i) a completed Membership Application for Full Members, and, (ii) submitting evidence of any requirements set forth in the Membership Application and these Bylaws. If the Board, the President, or any Standing Committee to which the Board may delegate such authority, in its discretion, determines that an applicant meets the foregoing requirements, such applicant shall be admitted as a Full Member, provided that upon approval, the applicant shall sign the Membership Agreement and pay the Membership Fees associated with being a Full Member within the time set forth in the Membership Agreement.

(2) Sponsor Members. An entity wishing to join the Corporation as a Sponsor Member shall first become a Full Member as set forth in Section 3.3(a)(1) above. Thereafter, the Full Member shall apply to become a Sponsor Member by submitting a completed Membership Application for Sponsor Members. Admission as a Sponsor Member shall require Board approval, based on the Sponsor Member criteria and conditions adopted by the Board. A Full Member may only be admitted as a Sponsor Member if the number of Sponsor Members immediately before such admission is less than the maximum number authorized by these Bylaws in Section 3.1(a) above.

(b) Participation Requirements. Members shall comply with certain written participation requirements established by the Board, or any Standing Committee to which the Board may delegate such authority, from time to time in its sole discretion, including but not limited to, timely payment of Membership Fees, timely payment of Member Assessments (as defined in Section 3.4), attendance of meetings, participation in committees, compliance with the Membership Agreement and any other agreements and obligations of Members, non-disparagement of the Corporation and active promotion of the Corporation's technical specifications (collectively, the "***Participation Requirements***"). The Participation Requirements shall be made available to all Members. Members in good standing shall be Members that (i) have met the Participation Requirements, (ii) are not withdrawn in accordance with Section 3.3(d) below, and (iii) are not terminated or suspended in accordance with Section 3.3(e) below.

(c) Membership Term; Renewal. Each Member's term shall commence on the date of the Member's admission in accordance with Section 3.3(a) above, and shall end on December 31 of the calendar year of such Member's admission. At the end of each calendar year, the Board, the President, or any Standing Committee to which the Board may delegate such authority, shall invite those Members that have satisfied the Participation Requirements to renew their membership for an additional term of one (1) calendar year.

(d) Withdrawal as a Member. Any Member, in its sole discretion, may withdraw from membership upon thirty (30) days' notice by delivering a resignation letter to the Chair of the Board, the President or the Secretary of the Corporation. No pro rata refund of any

Membership Fees shall be made for the balance of the calendar year in which the resignation is effective.

- (e) Termination or Suspension. A Member's membership in the Corporation may be terminated or suspended upon a good faith determination by the Board, upon the affirmative vote of two-thirds (2/3) of the Directors present at a meeting of the Board at which a quorum is present, that a Member has failed to comply with the Member commitments and agreements specified in these Bylaws and the Membership Agreement, including, without limitation, the terms of the IPR Policy, the Antitrust Guidelines of the Corporation, or the Participation Requirements. Before such Board determination, the Member proposed to be terminated or suspended shall receive fifteen (15) days' prior notice thereof and shall have an opportunity to be heard orally or in writing on the issue not less than five (5) days before the effective date of the termination or suspension consistent with the provisions of Section 7341 of the Statute (or its successor statute). No Membership Fees or Member Assessments will be returned to the terminated or suspended Member. A suspended Member shall not be a Member during the period of suspension.
- (f) Binding Effect on Member Affiliates. Execution of a Membership Agreement by a Member in its capacity as a legal entity constitutes that Member's agreement that its Affiliates (as defined below) are likewise bound to the obligations and entitled to the rights of a Member under the IPR Policy, the Membership Agreement and these Bylaws; provided, however, that no Affiliate shall be entitled to a separate vote as a Member nor shall any Affiliate of a Member be allowed to apply for membership as or be a Full Member, except as otherwise approved by the Board. "*Affiliate*" of a first legal entity means any other legal entity (i) directly or indirectly owning or controlling the first legal entity, or under the same direct or indirect ownership or control as the first legal entity, or (ii) directly or indirectly owned or controlled by the first legal entity, in either case, for so long as such ownership or control lasts. Ownership or control shall exist through the direct or indirect: ownership of more than 50 % of the nominal value of the issued equity share capital or of more than 50 % of the shares entitling the holders to vote for the election of directors or persons performing similar functions, or right by any other means to elect or appoint directors, or persons who collectively can exercise such control.

**Section 3.4 Assessments.** This Corporation shall raise no revenue other than that required to pay all of its expenses, including such unusual or extraordinary expenses as may be identified and authorized from time to time by the Board in furtherance of the purpose of the Corporation. Any amounts so required may be raised by special assessments which shall be levied from time to time against Members (each, a "*Member Assessment*"). The Board of Directors, in its sole discretion, may levy Member Assessments which are cumulatively equal to or less than, in any fiscal year, fifty percent (50%) of the Membership Fees for that year. Approval by a majority of the Members shall be required for Member Assessments which exceed, in any fiscal year, fifty percent (50%) of the Membership Fees for that year; provided, however, no Member Assessment or series of Member Assessments shall exceed two (2) times the Membership Fees for that fiscal year. Within forty-five (45) days after any Member Assessment has been levied, notice thereof shall be given to each Member stating the amount of such Member Assessment, the date or dates on which the same was approved by the Board or the Members, as the case may be, and the date or dates on which the Member Assessment is due. No Member shall be required to pay any

Member Assessment or portion thereof with respect to a period prior to the date such Member was admitted as a Member.

**Section 3.6 Transferability of Membership.** Neither membership in the Corporation nor any rights conferred by such membership may be transferred or assigned for value or otherwise.

**Section 3.7 Member Corporate Transactions.** The membership of a Member that is subject to a merger, asset sale or other transaction which results in an effective change of control of such Member (a “**Member Corporate Transaction**”) shall terminate on the closing date of the Member Corporate Transaction. The Member shall notify the Corporation of the Member Corporate Transaction not less than thirty (30) days prior to its anticipated closing date.

**Section 3.8 Nonliability of Members.** A Member shall not, solely because of such membership, be personally liable for the debts, obligations, or liabilities of the Corporation.

**Section 3.9 Regular Meetings of Members.** Meetings of the Members shall be held not less than annually, at such time and location as may be designated from time to time by the Board. At the annual meeting of the Members (the “**Annual Meeting**”), Designated Directors shall be designated by Sponsor Members in accordance with Section 4.6(b) below, and unless elected by written or electronic ballot, Full Directors shall be elected by Sponsor Members in accordance with Section 4.6(c) below, and any other proper business may be transacted.

**Section 3.10 Special Meetings of Members.** Special meetings of Members shall be called by the Board, the President, or five percent (5%) or more of the Members and be held at such times and places as may be designated from time to time by the Board.

**Section 3.11 Notice of Meetings.** Written notice of meetings of Members shall be delivered personally or by first-class mail, postage prepaid, facsimile, e-mail, or other reasonable accepted form of electronic communication, not less than fifteen (15) days nor more than ninety (90) days before the date of the meeting to each Member who, on the record date for notice of the meeting, is entitled to vote at the meeting. All notices shall be addressed to the Member at the address of such Member appearing on the books of the Corporation or at the address given by the Member to the Corporation for the purpose of notice. Where no such address appears or is given, notice shall be given at the principal office of the Corporation. The Secretary, or Assistant Secretary of the Corporation, or any transfer agent specially designated by the Secretary or Assistant Secretary for such purpose, shall execute an affidavit of the giving of the notice of the meeting of Members. In the case of a specially called meeting of Members, notice that a meeting will be held at a time requested by the persons calling the meeting not less than thirty-five (35) days nor more than ninety (90) days after receipt of the written request from such persons by the Chair of the Board, the Vice Chair, or the Secretary of the Corporation shall be sent to Members entitled to vote at such meeting no later than twenty (20) days after the request was received. No meeting of Members may be adjourned for more than forty-five (45) days. If a meeting is adjourned to another time or place, and thereafter a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each Member of record who, on the record date for notice of the meeting, is entitled to vote at the meeting.

**Section 3.12 Contents of Notice.** The notice shall state the place, date, and time of the meeting and those matters which are to be presented for action by the Members.

**Section 3.13 Waivers, Consents, and Approvals.** The transactions of any meeting of any Members, however called and noticed, and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote but not present in person, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records, or made a part of the minutes of the meeting.

**Section 3.14 Quorum.** A quorum at any meeting of the Members shall consist of no less than one-third (1/3) of the Members, represented in person or by proxy.

**Section 3.15 Loss of Quorum.** The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if such action taken, other than adjournment, is approved by at least a majority of Members required to constitute a quorum.

**Section 3.16 Adjournment for Lack of Quorum.** In the absence of a quorum, any meeting of Members may be adjourned from time to time by the vote of a majority of the votes represented in person or by proxy, but no other business may be transacted except as provided in Section 3.19 of these Bylaws.

**Section 3.17 Voting of Membership.**

- (a) **Approval Thresholds.** Each Full Member in good standing on the record date as determined under Section 3.17(b) below is entitled to one vote on each matter submitted to the Full Members. Each Sponsor Member in good standing on the record date as determined under Section 3.17(b) below is entitled to one vote on each matter submitted to the Sponsor Members. Each Member in good standing on the record date as determined under Section 3.17(b) below is entitled to one vote on each matter submitted to all of the Members. Unless otherwise stated, every act or decision done or made by more than fifty percent (50%) of the Full Members, Sponsor Members or all of the Members (as the case may be) present in person or by proxy at a duly held meeting at which a quorum is present is an act of the Full Members, Sponsor Members or all of the Members (as the case may be). Except as otherwise provided by these Bylaws or by the Articles of Incorporation, a change to the IPR Policy requires the affirmative vote of two-thirds (2/3) of all Members entitled to vote (rather than two-thirds (2/3) of Members present in person or by proxy at a meeting of the Members at which a quorum is present).
- (b) **Record Dates.** The record date for the purpose of determining the Members entitled to notice of any meeting of Full Members, Sponsor Members or all of the Members is ninety (90) days before the date of the meeting. The record date for the purpose of determining the Members entitled to vote at any meeting of Full Members, Sponsor Members or all of the Members is thirty (30) days before the date of the meeting. The record date for the purpose of determining the Members entitled to exercise any rights in respect to any other lawful action is thirty (30) days prior to such other action.

- (c) Cumulative Voting. Cumulative voting shall not be authorized for any purpose.

**Section 3.18 Conduct of Meetings.**

- (a) Chairperson. The President of the Corporation shall preside over any meetings of the Members. In his or her absence, any other person chosen by a majority of the Members present in person or by proxy shall be Chairperson of and shall preside over any meetings of the Members.
- (b) Secretary of Meetings. The Secretary of the Corporation shall act as the secretary of all meetings of Members; provided that in his or her absence, the Chairperson of the meetings of Members shall appoint another person to act as secretary of the meetings.
- (c) Rules of Order. Robert's Rules of Order, as amended from time to time, shall govern the meetings of Members insofar as those rules are not inconsistent with or in conflict with these Bylaws or the Articles of Incorporation.

**Section 3.19 Written or Electronic Ballots.**

- (a) Generally. Subject to the provisions of this Section and Section 7513 of the Statute, any action required or permitted to be taken at a meeting of the Members of the Corporation by the Statute, the Articles of Incorporation, or Bylaws (including, without limitation, the election of Directors) may be taken without a meeting and without prior notice upon compliance with this Section 3.19.
- (b) Validity. Approval by written or electronic ballot pursuant to this Section shall be valid for the approval of any matter only when the number of votes cast by ballot within the time specified equals or exceeds the quorum required to be present at a meeting of the Members authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the proposal at a meeting of the Members at which the total number of votes cast was the same as the number of votes cast by ballot.
- (c) Ballot Distribution. For the approval of all matters submitted to the Members by written or electronic ballot, the Corporation shall distribute one written or electronic ballot to each Member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by Section 3.11 of these Bylaws for notices to the Members of regular meetings of the Members.
- (d) Ballot Contents. Each ballot so distributed shall:
- (1) set forth the proposed action(s);
  - (2) for each proposal provide the voting Members an opportunity to specify abstention, approval or disapproval; and
  - (3) provide a reasonable time in which to return the ballot to the Corporation.
- (e) Record-keeping. Whenever action is taken pursuant to subsections (a) through (d) of this Section, the written approvals of the Members consenting thereto shall be kept in accordance with Section 8.1 below.

**Section 3.20 Electronic Meetings.**

- (a) Generally. If authorized by the Board in its sole discretion, and subject to the requirements of consent in California Corporations Code §20(b) and guidelines and procedures the Board may adopt, Members not physically present in person or by proxy at a meeting of Members may, by electronic transmission by and to the Corporation or by

electronic video screen communication, participate in a meeting of Members, be deemed present in person or by proxy, and vote at a meeting of Members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to the Corporation or by electronic video screen communication, subject to the requirements of these Bylaws.

- (b) Requirements. A meeting of the Members may be conducted, in whole or in part, by electronic transmission by and to the Corporation or by electronic video screen communication (1) if the Corporation implements reasonable measures to provide Members in person or by proxy a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (2) if any Member votes or takes other action at the meeting by means of electronic transmission to the Corporation or electronic video screen communication, a record of that vote or action is maintained by the Corporation. Any request to a Member pursuant to California Corporations Code §20(b) for consent to conduct a meeting of Members by electronic transmission by and to the Corporation shall include a notice that absent consent of the Member pursuant to California Corporations Code §20(b), the meeting shall be held at a physical location in accordance with these Bylaws.

### **Section 3.21 Members' Proxy Rights**

- (a) Generally. Each Member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the Member and filed with the Secretary of the Corporation. A proxy shall be deemed signed if the Member's name is placed on the proxy by the Member or the Member's attorney-in-fact, whether by manual signature, typewriting, facsimile transmission, or otherwise.
- (b) Solicited Proxies. If the Corporation has 100 or more Members, any form of proxy distributed to 10 or more Members shall give the Member an opportunity to specify a choice between approval and disapproval of each matter or group of related matters and, subject to reasonable specified conditions, shall provide that, when the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification. In an election of Directors, any form of proxy that a Member marks "withhold," or otherwise marks in a manner indicating that authority to vote for the election of Directors is withheld, shall not be voted either for or against the election of a Director.
- (c) Subject Matter of Proxy to Be Stated. Any revocable proxy covering matters for which a vote of the Members is required shall not be valid unless the proxy sets forth the general nature of the matter to be voted on. Such matters include amendments to the articles of incorporation; amendments to the articles or bylaws changing proxy rights; removal of directors without cause; filling vacancies on the board of directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all corporate assets unless the transaction is in the usual and regular course of the Corporation's activities; the principal terms of a merger or the amendment of a merger agreement; the election to dissolve the Corporation; contracts or transactions between the Corporation and one or more directors or between the Corporation and an entity in which a director has a material financial interest; or a plan of distribution of assets other than money to

Members when the Corporation is in the process of winding up, when the distribution is not in accordance with liquidation rights of any class or classes.

(d) **Expiration and Revocability of Proxies.** No proxy shall be valid after the expiration of 11 months from the date of the proxy, unless provided otherwise in the proxy, except that the maximum term of a proxy shall be 3 years after the date of execution. The revocability of a proxy that states on its face that it is irrevocable shall be governed by Section 7613 of the Statute. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until either:

- (1) It is revoked by the Member executing it before the vote is cast under that proxy,
  - (a) by a writing delivered to the Corporation stating that the proxy is revoked, (b) by a subsequent proxy executed by that Member and presented to the meeting, or (c) as to any meeting, by the Member's personal attendance and voting at the meeting, or
- (2) Written notice of the death or incapacity of the maker of the proxy is received by the Corporation before the vote under the proxy is counted.

## **ARTICLE IV BOARD OF DIRECTORS**

**Section 4.1 General Powers of the Board.** Subject to the provisions and limitations of the Statute and any other applicable laws, and subject to any limitations of the Articles of Incorporation or these Bylaws regarding actions that require approval of the Members, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

**Section 4.2 Specific Powers of Board.** Without prejudice to the general powers set forth in Section 4.1 of these Bylaws, but subject to the same limitations, the Board shall have the power to do the following:

(a) Appoint and remove, at the pleasure of the Board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the Articles of Incorporation, and these Bylaws; fix their compensation; and require from them security for faithful service.

(b) Change the principal office or the principal business office in California from one location to another; cause the Corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in or outside California for holding any meeting of Members.

(c) Borrow money and incur indebtedness on the Corporation's behalf and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

**Section 4.3 Number and Types of Directors.** The authorized number of Directors shall be not less than three (3) and not more than twenty (20). The exact number of Directors shall be fixed, within those limits, by a resolution adopted by the Board. Any reduction in the authorized

number of Directors shall not result in removal of a Director before expiration of his/her term. There shall be at least two (2) and not more than eighteen (18) Directors designated by their respective Sponsor Member in accordance with Section 4.6(b) below (collectively, the “**Designated Directors**”). There shall be at least one (1) and not more than two (2) Directors elected by the Sponsor Members in accordance with Section 4.6(c) below (collectively, the “**Full Directors**”). The Directors shall, from time to time, elect any person to serve as Chair of the Board to preside over the meetings of the Board.

**Section 4.4 Alternate Directors.** Each Director shall have an alternate to serve in the capacity of Director in the event of the death, resignation, removal, or absence of the Director (such alternate, an “**Alternate Director**”). When serving in the capacity of Director, the Alternate Director shall have all the rights, privileges and responsibilities of the Director and any reference to a Director herein shall refer to the Alternate Director. Alternate Directors shall be entitled to attend all regular and special meetings of the Board of Directors and shall have all rights (including voting rights) of the Director in the absence of the Director. In the event that the Alternate Director is serving as a Director due to the absence of the Director, such Director shall regain all of the rights, privileges and responsibilities of a Director upon the termination of his or her absence. If an Alternate Director replaces a Director due to the death, resignation, or removal of the Director in accordance with Section 4.7 below, the Alternate Director shall immediately become a Director for the remainder of the Director’s term, and the corresponding position of Alternate Director shall become vacant, unless filled as provided in these Bylaws. All other provisions of these Bylaws, and procedures relating to Directors, apply equally to the Alternate Directors as to the Directors (when such Alternate Directors are serving as Directors), unless otherwise noted. All references to the Board of Directors, and to Directors in general, shall be deemed to include any Alternate Director serving in the capacity of a Director.

**Section 4.5 Qualifications.** Directors must be at least eighteen (18) years of age, and must not have any prior felony convictions. No employee of any Member or any Member’s Affiliate shall be eligible to serve as a Director during the tenure of any other Director who is an employee of that Member or any of its Affiliates. No employee of any Member or any Member’s Affiliate shall be eligible to serve as an Alternate Director during the tenure of any other Alternate Director who is an employee of that Member or any of its Affiliates.

**Section 4.6 Terms, Designation, and Election.**

(a) **Terms.** The Directors (and the corresponding Alternate Directors) shall have terms that expire at the Annual Meeting.

(b) **Designated Directors and Alternate Designated Directors.** Each Sponsor Member shall designate a Designated Director and a corresponding Alternate Designated Director at the Annual Meeting at which the Sponsor Member’s previous Designated Director and Alternate Designated Director term expires. A new Sponsor Member shall designate a Designated Director and a corresponding Alternate Designated Director upon admission as a Sponsor Member in accordance with Section 3.3 above and any increase to the authorized number of Directors as may be required in accordance with Section 4.3 above. Each such Designated Director (and the corresponding Alternate Designated Director) must be an employee, officer, director or duly authorized representative of the Sponsor Member in good standing on behalf of which he or she is serving.

(c) Full Directors and Alternate Full Directors. The Full Directors (and their corresponding Alternate Directors) shall be elected by a majority vote of the Sponsor Members entitled to vote at the Annual Meeting from a slate of candidates nominated by the Board for the open positions. Each such Full Director (and the corresponding Alternate Full Director) must be an employee, officer, director or duly authorized representative of a Full Member in good standing.

**Section 4.7 Removal.** Except as otherwise provided by Section 7222 of the Statute, a Full Director may be removed, without cause, by a majority vote of the Sponsor Members entitled to vote. A Designated Director may not be removed without the written consent of the designating Sponsor Member.

**Section 4.8 Resignation.** Any Director may resign effective upon giving written notice to the Chair of the Board, the President, the Secretary, or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation of a Director is effective at a future time, a successor may be elected or designated, as the case may be, to take office when the resignation becomes effective.

**Section 4.9 Vacancies.** A vacancy on the Board shall exist in the event of: (a) the death, resignation or removal of any Director, (b) the declaration by the Board of a vacancy in the office of a Director who has been declared of unsound mind by a court order, convicted of a felony, or, if the Corporation holds assets in charitable trust, found by a final order or judgment of any court to have breached a duty arising under Section 7238 of the Statute, (c) an increase in the authorized number of Directors, or (d) the failure of the Sponsor Members to elect the number of authorized Full Directors. In the case of subsections (a) or (b) above, vacancies will be filled by the Alternate Director. In the case of subsections (c) or (d) above, vacancies may be filled by the Board for the unexpired portion of the term, or, if the number of Directors then in office is less than a quorum, by: (i) the unanimous written consent of the Directors then in office, (ii) the affirmative vote of a majority of the Directors then in office at a meeting held according to notice or waivers of notice complying with Section 7211 of the Statute, or (iii) a sole remaining Director. Notwithstanding the foregoing, any vacancy caused by the death, resignation or removal of a Designated Director or Designated Alternate Director shall be filled by designation of the designating Sponsor Member.

**Section 4.10 Annual Meeting and Regular Meetings.** The annual meeting of the Directors shall be held on such date and at such location as the Board shall determine. Each annual meeting shall be held for the purpose of approving the Corporation's financial statements and for such other purposes as may properly be brought before the meeting under law, the Articles of Incorporation, or these Bylaws. If an annual meeting is not held as herein provided, a special meeting of the Directors may be held in place thereof with the same force and effect as the annual meeting, and in such case all references in these Bylaws to the annual meeting of the Board, except in this Section 4.10, shall be deemed to refer to such special meeting. Other regular meetings of the Board may be held on such date and at such location as the Board shall determine.

**Section 4.11 Special Meetings.** Special meetings of the Board may be called at any time by the President, Chair of the Board or a majority of the Directors. Notice of the time and place of special meetings shall be delivered to each Director (a) personally; (b) first-class mail, postage

prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; (d) facsimile; or (e) e-mail. All such notices shall be given or sent to the Director's address or telephone number as shown on the Corporation's records. Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic mail shall be delivered, telephoned, or sent, respectively, at least forty-eight (48) hours before the time set for the meeting. The notice shall state the time of the meeting and the place, if the place is other than the Corporation's principal office. Except as otherwise provided in these Bylaws, the notice need not specify the purpose of the meeting.

**Section 4.12 Waiver of Notice.** The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present, and either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

**Section 4.13 Place of Meetings.** The Directors shall agree as to the times and places to hold Board meetings. Meetings may be held in person, or by any combination of audio conferencing or video conferencing pursuant to Section 4.19 of these Bylaws, or electronic document exchange consistent with Section 7211(b) of the Statute.

**Section 4.14 Quorum.** For the transaction of any business except adjournment, a quorum shall consist of at least fifty percent (50%) of the total number of Directors then in office; provided, however, in any event quorum shall not consist of less than one-fifth the authorized number of Directors, or two, whichever is larger. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

**Section 4.15 Transactions of Board.** The action of a majority of the Directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to Section 4.18 of these Bylaws and the more stringent provisions of the Statute, including, without limitation, those provisions relating to: (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (b) creation of and appointments to committees of the Board, and (c) indemnification of Directors. Each Director shall have a single vote and no voting by proxy shall be permitted.

**Section 4.16 Change to IPR Policy; Merger or Sale of Corporation.** Except as otherwise provided by law, by these Bylaws or by the Articles of Incorporation, the following actions require the affirmative vote of two-thirds (2/3) of the Directors (rather than two-thirds (2/3) of Directors present at a meeting of the Board at which a quorum is present): (i) a change to the Corporation's IPR Policy (which also requires approval of the Members pursuant to and in accordance with Section 3.17 of these Bylaws), (ii) the dissolution of the Corporation, and (iii)

the merger or sale of the Corporation or the sale of substantially all of the assets of the Corporation.

**Section 4.17 Conduct of Meetings.** The Chair of the Board or, in the Chair's absence, any person appointed by the Chair or the Board, shall preside at meetings of the Board. The Secretary of the Corporation or, in the Secretary's absence, any person appointed by the presiding officer, shall act as Secretary of the Board.

**Section 4.18 Adjournment at Board Meetings.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

**Section 4.19 Meetings by Telephone or Other Telecommunications Equipment.** Any Board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section 4.19 shall constitute presence in person at the meeting if both the following apply:

- (a) Each Director participating in the meeting can communicate concurrently with all other Directors.
- (b) Each Director is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation.

**Section 4.20 Action Without a Meeting.** Any action required or permitted to be taken by the Board may be taken without a meeting, if all Directors individually or collectively consent in writing or by electronic transmission to such action. Such written consents, including hard copies of any electronic transmissions, shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors.

**Section 4.21 Standard of Care.** A Director shall perform the duties of a Director and as a member of any committee of the Board on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of this Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented,
- (b) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence, or
- (c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, so long

as in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

**Section 4.22 Liability of Directors.** A person who performs the duties of a Director in accordance with Section 7231(a) and (b) of the Statute shall not have any liability based on any alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public purpose to which the Corporation, or assets held by it, are dedicated.

**Section 4.23 Compensation; Reimbursement and Advancement of Expenses.** The Directors shall serve without pay. However, this Corporation may: (a) reimburse a Director for expenses incurred in performance of the duties of such Director and determined by the Board to be reasonable, and (b) advance money to a Director for expenses reasonably anticipated to be incurred in performance of the duties of such Director, provided that such expenses would otherwise be subject to reimbursement if incurred without such an advance.

## **ARTICLE V OFFICERS**

**Section 5.1 Officers.** The officers of this Corporation shall be a Chair of the Board, a President, a Secretary, a Treasurer, and such other officers with such titles and duties as shall be determined by the Board and as may be elected in accordance with the provisions of this Article. The Board may elect or appoint one or more vice presidents, assistant secretaries, assistant treasurers and such other officers as it shall deem desirable, such officers to have the authority to perform the duties prescribed, from time to time, by the Board.

**Section 5.2 Qualifications.** The officers of the Corporation must be at least eighteen (18) years of age, and must not have any prior felony convictions.

**Section 5.3 Nomination.** Any person qualified to be an officer under Section 5.2 of these Bylaws may be nominated by the method of nomination authorized by the Board and permitted by law.

**Section 5.4 Election and Term of Office.** The officers of this Corporation shall be elected by the Board at the regular annual meeting of the Board. New offices may be created and filled at any meeting of the Board. Each officer shall serve for a term of one year or until such officer resigns or is removed or otherwise disqualified to serve, or a successor shall be elected and qualified. A term of office shall run from the annual meeting of the year of the election to the annual meeting of the following year.

**Section 5.5 Removal.** Any officer elected or appointed by the Board may be removed, with or without cause, by the Board or an officer on whom such power of removal may be conferred by the Board. Such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

**Section 5.6 Resignation.** Any officer may resign at any time by giving written notice to the President of the Corporation, or to the Board. Any resignation shall take effect at the date of the receipt of that notice, or at any later time specified by that notice, and unless otherwise specified in that notice, the acceptance shall not be necessary to make it effective.

**Section 5.7 Vacancies.** A vacancy in any office for any reason shall be filled by the Board for the unexpired term.

**Section 5.8 Chair of the Board.** The Chair of the Board shall have the right to preside at Board meetings and shall perform such other duties and exercise such other powers as the Board may assign from time to time.

**Section 5.9 President.** The President is the general manager and chief executive officer of the Corporation. The President shall be responsible for managing, directing, supervising and controlling the Corporation's day-to-day operations and performing such other duties and exercising such other powers as the Board may assign from time to time. As part of these responsibilities and subject only to such limitations as the Board may impose, the President shall manage and supervise the Corporation's contracting process. Except as may be expressly delegated by the Board, by these Bylaws or by statute to some other officer of the Corporation, the President, and as may be required by the Board by resolution, the Secretary or any other proper officer of the Corporation authorized by the Board, shall sign any contracts or other instruments which the Board has authorized to be executed.

**Section 5.10 Vice Chair.** In the absence or disability of the Chair of the Board, the Vice Chairs, if any, in order of their rank as fixed by the Board or, if not ranked, a Vice Chair designated by the Board, shall perform all duties of the Chair of the Board. When so acting, a Vice Chair shall have all powers of and be subject to all restrictions on the Chair of the Board. The Vice Chair shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

**Section 5.11 Secretary.** The Secretary shall keep or cause to be kept the minutes of the meetings of the Board in one or more books provided for that purpose or via electronic records or system; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and seal of the Corporation and see that, when required by law, the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep or cause to be kept a register of the post office address of each Director; and in general, perform all duties incident to the office of Secretary and such other duties as may be assigned to the Secretary from time to time by the President or by the Board.

**Section 5.12 Treasurer.** The Treasurer shall supervise the charge and custody of all funds of the Corporation; shall receive and give receipts for moneys due and payable to the Corporation from any source whatsoever; shall supervise the deposit of such funds in the manner required by the Directors; shall supervise the keeping and maintaining of adequate and correct accounts of the Corporation's properties and business transactions; shall render reports and accountings as required; and shall discharge such other duties as pertain to the office of Treasurer or as

prescribed by the Directors. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine.

**Section 5.13 Compensation; Reimbursement and Advancement of Expenses.** The Corporation may: (a) reimburse an officer for expenses incurred in performance of the duties of such officer and determined by the Board to be reasonable, and (b) advance money to an officer for expenses reasonably anticipated to be incurred in performance of the duties of such officer, provided that such expenses would otherwise be subject to reimbursement if incurred without such an advance.

## **ARTICLE VI COMMITTEES**

**Section 6.1 Committees.** The Board may appoint one or more committees, each consisting of one or more Directors and which may also include one or more observers (each a “*Standing Committee*” and collectively, “*Standing Committees*”), and delegate to such Standing Committees any of the authority of the Board except with respect to:

- (a) The approval of any action for which the Statute also requires approval of the Members or approval of a majority of all Members (such limitation of committee action shall apply whether or not the Corporation has Members);
- (b) The filling of vacancies on the Board or in any committee;
- (c) The fixing of compensation of the Directors for serving on the Board or on any committee;
- (d) The amendment or repeal of these Bylaws or the adoption of new bylaws of the Corporation;
- (e) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;
- (f) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for director than can be elected; or
- (g) To the extent provided by Section 5233 of the Statute, the approval of any self-dealing transaction, as such transactions are defined in said section.

Any such Standing Committee shall be created, and the members thereof appointed, by a resolution adopted by the Board. The Board may appoint, in the same manner, alternate members of any Standing Committee who may replace any absent member at any meeting of the Standing Committee. The resolution establishing any Standing Committee shall clearly define the role and scope of activities of such Standing Committee. The Board shall have the power to prescribe the manner in which proceedings of each Standing Committee shall be conducted. Unless the Board or such Standing Committee shall otherwise provide, the regular and special meetings and other actions of any such Standing Committee shall be governed by the provisions of Article IV applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each Standing Committee.

**Section 6.2 Audit Committee.** At any time the Corporation voluntarily chooses to do so, the Corporation shall have an Audit Committee consisting of at least two Directors and which may include nonvoting advisors. Directors who are employees of the Corporation or who receive,

directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as Director) may not serve on the Audit Committee. The President and Treasurer, if also Directors, may serve on the Audit Committee only if such persons are volunteers and are not compensated by this Corporation. The Audit Committee shall perform the duties and adhere to the guidelines set forth from time to time by the Board. These duties include, but are not limited to:

- (a) assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary;
- (b) negotiating the auditor's compensation;
- (c) conferring with the auditor regarding the Corporation's financial affairs; and
- (d) reviewing and accepting or rejecting the audit.

Members of the Audit Committee shall not receive compensation for their service on the Audit Committee in excess of that provided to Directors, if any, for their service on the Board. If the Corporation has a Finance Committee, a majority of the members of the Audit Committee may not concurrently serve as members of the Finance Committee, and the Chair of the Audit Committee may not serve on the Finance Committee.

**Section 6.3 Executive Committee.** The Corporation shall have an Executive Committee consisting of all of the current officers. The incoming President shall be the chairperson of the Executive Committee. Subject to the limitations set forth in Section 6.1 above, the Executive Committee shall act when necessary between meetings of the Board. The Executive Committee will report all of its actions to the Board at the next meeting of the Board.

**Section 6.4 Committee Chairperson.** The Chairperson of each Standing Committee shall be determined by election by the members of the applicable Standing Committee. The Board, by resolution, may limit the class of persons eligible to serve as chairperson of any Standing Committee to the officers of the Corporation. A Chairperson's term shall begin with such annual meeting election and conclude at the annual meeting one (1) year later.

**Section 6.3 Vacancies.** Vacancies in membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

**Section 6.4 Quorum.** Unless otherwise provided in these Bylaws or the resolution of the Board designating a Standing Committee, a majority of the whole Standing Committee present in person or by proxy at the meeting of a Standing Committee shall constitute a quorum and the act of a majority of the Standing Committee members present at a meeting at which a quorum is present shall be the act of the Standing Committee.

**Section 6.5 Rules.** Each Standing Committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board.

**Section 6.6 Groups Created By the Board.** The Board may create one or more groups, task groups or working committees that do not exercise the power or authority of the Board (referred to as "**Groups**"). Initial appointments to each Group may be included with the Board action authorizing the creation of the Group or may be established through any other method designated by the Board, and all subsequent changes to Group composition shall occur by decision of the

Group unless the Board expressly provides otherwise by action at the time the Group is created or by subsequent action. Each Group shall have such duties and exercise such powers as the Board may establish in the action creating the Group or may otherwise provide from time to time, provided that those duties and powers shall at all times be exercised under the ultimate direction of the Board. The Board may from time to time establish and amend the procedures and guidelines that apply to Group participation (including eligibility), Group operation, Group administration and Group management.

## **ARTICLE VII CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

**Section 7.1 Contracts.** The Board may authorize any officer or officers, agent or agents of the Corporation, in addition to officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

**Section 7.2 Checks, Drafts, etc.** All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and countersigned by the President of the Corporation.

**Section 7.3 Deposits.** All funds of this Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

**Section 7.4 Contributions.** The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

## **ARTICLE VIII BOOKS AND RECORDS**

**Section 8.1 Maintenance of Corporate Records.** The Corporation shall keep correct and complete books and records of account, minutes of the proceedings of the Members, the Board and Standing Committees and a record of its Members giving their names and addresses and the class of membership held by each Member. The financial records and all other corporate records, and the minutes of all meetings of the Members, the Board and all other Standing Committees of the Corporation shall be kept at the principal office of the Corporation in any form capable of being converted into written form. Upon leaving office, each officer shall turn over to his or her successor in good order such moneys, book records, documents and other property of the Corporation as have been in his or her custody during his or her term of office.

**Section 8.2 Inspection Rights of Members -- Demand.**

- (a) Inspection Rights. Subject to the Corporation's right to set aside a demand for inspection pursuant to Section 8331 of the Statute and the power of the court to limit inspection rights pursuant to Section 8332 of the Statute, and unless the Corporation provides a reasonable alternative as permitted by Section 8.2(b) of these Bylaws, a Member satisfying the qualifications set forth hereinafter may do either or both of the following:
- (1) Inspect and copy the record of all the Members' names, addresses, and voting rights, at reasonable times, on five (5) business days' prior written demand on the Corporation which demand shall state the purpose that is reasonably related to such Member's interest as a Member for which the inspection rights are requested. The Corporation's Member list shall be private and inure to the Corporation and its Members only. At no time, may the Member list be copied, used, or disseminated, for commercial, or other non-corporate matters or purposes, unless such use is approved by the Board; or
  - (2) Obtain from the Secretary of the Corporation, on written demand and tender of a reasonable charge, a list of the names, addresses, and voting rights of those Members entitled to vote for the election of the Board, as of the most recent record date for which it has been compiled or as of the date of demand. The demand shall state the purpose that is reasonably related to such Member's interest as a Member for which the list is requested. The Member list shall be available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled. The Corporation's Member list shall be private and inure to the Corporation and its Members only. At no time may the Member list be copied, used, or disseminated, for commercial, or other non-corporate matters or purposes, unless such use is approved by the Board.
- (b) Alternative Method of Delivery. The Corporation may, within ten (10) business days after receiving a demand pursuant to Section 8.2(a) of these Bylaws, deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in said demand without providing access to or a copy of the Member list. An alternative method which reasonably and in a timely manner accomplishes the proper purpose set forth in a demand made pursuant to Section 8.2 of these Bylaws shall be deemed reasonable; unless within a reasonable time after acceptance of the offer, the Corporation fails to do those things that it offered to do. Any rejection of the offer shall be in writing and shall indicate the reasons the alternative proposed by the Corporation does not meet the proper purpose of the demand made pursuant to Section 8.2 of these Bylaws.

**Section 8.3 Directors' Inspection Rights**. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation.

**Section 8.4 Annual Report**.

- (a) Contents. The Board shall cause an annual report to be prepared not later than 120 days after the close of the Corporation's fiscal year and provided to all Directors, and any Member who requests it, which report shall contain the following information in appropriate detail:

- (1) A balance sheet as of the end of the fiscal year, an income statement, and statement of changes in financial position for the fiscal year, accompanied by an independent accountant's report or, if none, by the certificate of an authorized officer of the Corporation that they were prepared without audit from the Corporation's books and records;
  - (2) A statement of the place where the names and addresses of the current Members are located; and
  - (3) any information required by Article IX of these Bylaws.
- (b) **Member Rights.** The Corporation shall annually notify each Member of the Member's right to receive a copy of the financial report under this Section 8.4. Except as provided in Section 8.4(c) below, on written request by a Member, the Board shall promptly cause the most recent annual report to be sent to the requesting Member. If the Board approves, the Corporation may send the report and any accompanying material sent pursuant to this Section 8.4(b) by electronic transmission.
- (c) **Gross Revenue Threshold.** This Section 8.4 shall not apply if the Corporation receives less than US\$10,000 in gross revenues or receipts during the fiscal year.

## **ARTICLE IX ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS**

**Section 9.1 Annual Statement.** This Corporation shall mail or deliver to all Directors and all Members within 120 days of the close of the fiscal year, a statement which briefly describes the amount and circumstances of any indemnification or transaction in which the Corporation, or its parent or subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:

- (a) any Director or officer of the Corporation, or its parent or subsidiary (a mere common directorship shall not be considered a material financial interest), or
- (b) any holder of more than 10% of the voting power of the Corporation, its parent or subsidiary.

**Section 9.2 Transaction Threshold.** The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than fifty thousand dollars (US\$50,000) or which was one of a number of transactions with the same persons involving, in the aggregate, more than fifty thousand dollars (US\$50,000). Similarly, the statement need only be provided with respect to indemnification or advances aggregating more than ten thousand dollars (US\$10,000) paid during the previous fiscal year to any director or officer.

**Section 9.3 Interested Persons.** Any statement required by this Article shall state the names of the interested persons involved in such transactions, stating each person's relationship to the Corporation, the nature of such person's interest in the transaction, and where practical, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

## **ARTICLE X INDEMNIFICATION OF OFFICERS AND DIRECTORS**

**Section 10.1 Right of Indemnity.**

- (a) To the extent that a person who is, or was, a director, officer, employee or other agent of this Corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the Corporation, or has been successful in defense of any claim, issue or matter, therein, this Corporation shall indemnify such person to the full extent permitted by law against expenses actually and reasonably incurred by such person in connection with such proceeding, as that term is defined in Section 7237(a) of the Statute.
- (b) If such person either settles any such claims or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceeding shall be provided by the Corporation but only to the extent allowed by, and in accordance with, Section 7237 of the Statute.
- (c) Nothing contained in this Bylaw shall affect any right to indemnification to which persons other than directors and officers may be entitled by contract or otherwise.

**Section 10.2 Approval of Indemnity.** Any indemnification under this Article shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 7237(b) and (c) of the Statute, by a majority vote of a quorum of the Board consisting of Directors who are not parties to such proceedings or as otherwise set forth in Section 7237 of the Statute.

**Section 10.3 Advancement of Expenses.** Expenses incurred in defending any proceedings may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of any undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in Section 7237 of the Statute.

**Section 10.4 Insurance.** The Corporation shall have the power to purchase and maintain insurance on behalf of any individual who is or was a Director, officer, employee or agent of the Corporation, against any liability asserted against or incurred by such individual in such capacity, or arising out of such individual's status as such, whether or not the Corporation would have the power to indemnify such individual against such liability under the provisions of these Bylaws provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any Director, officer or agent of the Corporation for any self-dealing transactions, as described in Section 7237 of the Statute. The Corporation shall purchase the insurance described in this Section if the premium is deemed to be reasonable by the Board.

**ARTICLE XI  
AMENDMENTS TO BYLAWS**

**Section 11.1 General Requirements.** Except as otherwise required by Section 7151(b) of the Statute, these Bylaws may be altered, amended or repealed and new bylaws may be adopted upon the affirmative vote of two-thirds (2/3) of the Directors present at a meeting of the Board at

which a quorum is present. Whenever an amendment or new Bylaw is adopted, it shall be placed in the Corporation's minute book with the original Bylaws. If any Bylaw is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted shall be stated in said minute book.

**Section 11.2 High Vote Requirement.** If any provision of these Bylaws requires the vote of a larger proportion of the Board or the Members than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

## **ARTICLE XII AMENDMENTS TO ARTICLES OF INCORPORATION**

Amendments to the Articles of Incorporation may be adopted upon the affirmative vote of two-thirds (2/3) of the Directors (rather than two-thirds (2/3) of Directors present at a meeting of the Board at which a quorum is present), and upon the affirmative vote of a majority of the Members present in person or by proxy at a meeting of the Members at which a quorum is present pursuant to Section 7812 of the Statute.

## **ARTICLE XIII PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

**Section 13.1 No Private Inurement.** No Director, officer, employee or other person connected with this Corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation; provided, however, that this provision shall not prohibit payment to any such person of reasonable compensation for services performed for the Corporation in effect of any of the Corporation's purposes, provided further that such compensation is otherwise permitted by these Bylaws and fixed by resolution of the Board.

**Section 13.2 Disposition of Assets Upon Dissolution.** Upon dissolution or winding up of the affairs of the Corporation, whether voluntarily or involuntarily, after all debts of the Corporation have been satisfied, and to the extent not prohibited by applicable law, the assets of the Corporation shall be distributed in the following manner:

- (a) Any licenses granted to the Corporation prior to such dissolution or winding up shall:
  - (1) remain with the Corporation, to the extent the Corporation is able to fulfill its obligations under the terms and conditions of such licenses, or
  - (2) be distributed in a manner consistent with the purposes of the Corporation, as determined by the Board upon such dissolution or winding up, if the Corporation is not able to fulfill its obligations under the terms and conditions of such licenses, and
- (b) All assets of the Corporation not included in (a) above, shall be distributed as follows: except for distributions of a Member's property back to that Member, all assets of the Corporation, if any, remaining after payment of necessary expenses, shall be distributed to either an entity which qualifies under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (or any successor provision in any future federal income tax law) and which has substantially similar purposes as this Corporation, or to an entity which

qualifies under Section 501(c)(3) of the Internal Revenue Code, as amended (or any successor provision in any future federal income tax law).

**Section 13.3 Disposition of Assets by Statute.** If the Board fails to make any determination of the distribution of assets as set forth in Section 13.2 (a) and (b) above, the assets of the Corporation shall be distributed pursuant to the provisions of Section 8717 of the Statute or its successor statute.

#### **ARTICLE XIV DUTY TO MAINTAIN TAX EXEMPT STATUS**

**Section 14.1 Violation of Duty.** In the event that the Corporation secures tax-exempt status under the federal and/or California income tax rules and regulations, it shall be the duty of each Director and officer to maintain such status. A willful violation of this duty shall constitute a wrongful act or conduct subjecting the participating Director or officer to termination or removal procedures as set forth in these Bylaws.

**Section 14.2 Prohibited Activities.** This Corporation has been formed under the Statute as an association within the meaning on Section 501(c)(6) of the Internal Revenue Code. The Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in the Articles of Incorporation.

#### **ARTICLE XV MISCELLANEOUS**

**Section 15.1 Corporate Seal.** This Corporation may, if so determined by the Board, use a seal consisting of a circle having on its circumference the words “AirFuel Alliance,” together with the year and date of the incorporation of this Corporation, or as the Board shall prescribe.

**Section 15.2 Fiscal Year.** The Corporation’s fiscal year shall be determined by resolution of the Board of the Corporation at a meeting duly noticed and held in accordance with these Bylaws.

**Section 15.3 Construction and Definitions.** Unless the context requires otherwise, and except as otherwise set forth in Section 15.4, the general provisions, rules of construction, and definitions in the Statute shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “**person**” includes both a legal entity and a natural person.

**Section 15.4 Headings.** The section headings herein are intended only for reference and shall not by themselves determine the construction or interpretation of these Bylaws.

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CERTIFICATE OF SECRETARY

KNOW ALL PERSONS BY THESE PRESENTS:

That the undersigned does hereby certify that he or she is the duly elected and acting Secretary of AirFuel Alliance, a nonprofit mutual benefit corporation duly organized and existing under and by virtue of the laws of the State of California; that the above and foregoing Bylaws of such corporation were duly and regularly adopted by the Board of Directors of such corporation; and that the above and foregoing Bylaws are now in full force and effect.

This Certificate may be may be executed and delivered by facsimile signature, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (e.g., [www.docusign.com](http://www.docusign.com)).

Dated: October 4, 2017

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Oksana Davis, Secretary