

**Bylaws  
of  
Wireless Industrial Networking Alliance**

(As adopted in principle on July 8, 2011 and subsequently approved by the Board of Directors on August 29, 2011)

**Article I. Offices**

Section 1. Principal Office. The principal office for the transaction of the business of this Corporation shall be fixed and located within the state of North Carolina. The Board of Directors is hereby granted full power and authority to change the said principal office from one location to another.

Section 2. Other Offices. Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where this Corporation is qualified to do business.

**Article II. Purposes**

Section 1. Purposes. The Corporation is a non-profit 501(c)(3) corporation formed to stimulate the development and promote the adoption of wireless networking technologies and practices to help increase industrial efficiency. The specific purpose of this corporation is to increase consumer education, comfort and adoption of wireless technology solutions. The Corporation's efforts will include, but are not limited to, education, training, liaison activities, support of interoperability, and the support, evolution and promotion of open standards for the wireless technology industry.

Section 2. Open Membership/Antitrust Law Compliance. The corporation and its Members shall be at all times dedicated to the principles of full and open competition, in full compliance with all applicable laws, including all antitrust laws of the United States and other nations and governmental bodies. Membership in the Corporation shall at all time be open to applicants that meet the applicable criteria which are set forth in Section 3 of these Bylaws.

The corporation shall at all times have in place an antitrust policy which more formally sets forth the principles just expressed, and the corporation and its members shall at all times adhere to such policy as it exists from time to time hereafter. Such antitrust policy shall include, without limitation, provisions prohibiting any restriction against or limitation on any member's rights or freedom to make, use, sell, develop, or distribute products which compete with products endorsed by the corporation.

## **Article III. Membership**

### Section 1. Classes of Membership.

a. Organization Members. There shall be two classes of organization membership in the Corporation and such members shall be known as “Executive Sponsor Members and Sponsor Members” and may be referred to collectively as “sponsors or sponsor members”. Each organization member shall designate one individual as its representative for exercising its membership privileges (e.g. voting, board service, etc.) or the organization and one individual to serve as its alternate representative to exercise those privileges in the absence of the primary designee. The primary and alternate designees shall also be granted any other privileges afforded to individual members.

b. Individual Members. There shall be a class for individual membership in the Corporation and such members shall be known as individual members.

c. Associates. The Corporation may, pursuant to resolutions adopted by the Board of Directors, create one or more classes of Associates of the Corporation. Such Associates shall have only the rights and privileges specifically given to them by the resolutions adopted by the Board of Directors, and shall be subject to any conditions imposed thereon by the Board of Directors. Any such classes of Associates may be referred to as “members” or by any other designation given to them by the Board of Directors; however all such classes of Associates shall not be considered statutory members provided that such Associates shall not have any voting or similar rights unless otherwise determined by the Board.

Section 2. Membership Qualifications. Any commercial or non-profit corporation, individual, educational, scientific or government institution may be a member of the corporation. Termination of the membership of any Member shall be in accordance with the termination provisions of these Bylaws. The Secretary of the Corporation shall have the responsibility to maintain a list of Sponsor Members and to make any necessary changes thereto to reflect any admissions or withdrawals of Sponsor Members.

Section 3. Admission to Membership. Formal admission to the Membership shall be upon execution of the applicable Member Agreement or Application and payment of then current applicable annual dues.

Section 4. Fees, Dues and Assessments The Board of Directors may from time to time set such fees, dues and assessments for membership in the Corporation, and the Board of Directors, as the Board, in its discretion, from time to time determines. Membership in the Corporation will automatically renew on an annual basis, and membership fees will be invoiced prior to each subsequent anniversary period. The amount of membership fees (dues or assessments) to be invoiced on each such anniversary or at anytime shall be the subject of a resolution of the Board, which must be notified to all affected Members. Any changes and/or modifications to a then in force fee structure and/or any specially assessed dues or assessments shall require an affirmative vote of the Board of Directors.

Section 5. Termination of Membership. The membership of any member shall terminate upon the occurrence of any one or more of the following:

a. Resignation. Any member may resign from the Corporation at any time by filing a resignation letter with the Secretary of the Corporation. No pro rata refund of any initial membership fee, dues or assessments shall be made for the balance of the calendar year in which the resignation is effective, or otherwise.

b. Expiration and Disqualification. A membership issued for a period of time shall expire when such period of time has elapsed unless the membership is renewed.

c. Dues and Assessments. Membership shall terminate upon the failure of the member to pay dues or assessments within the time periods established by the Board of Directors.

d. Expulsion, Suspension, or other Sanction. Membership of a Member shall terminate upon the determination of a absolute two-thirds (2/3) vote of the Board of Directors (such vote not including the vote of the Member facing expulsion, suspension, or other sanction) after a hearing duly held that the member has failed in a material respect to observe the rules of conduct promulgated from time to time by the Board of Directors and applicable to members, or otherwise has failed in some material respect to merit continued membership privileges in the Corporation. Such determination shall be made in the sole and absolute discretion of the Board of Directors. Following the determination by the Board of Directors that a Member should be expelled, suspended, or other sanction the following procedures shall be implemented:

- (i) A notice shall be sent by mail by prepaid, first-class, certified or registered mail to the most recent address of the Member as shown on the Corporation's records, setting forth the expulsion, suspension, or other sanction and the reasons therefore. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the expulsion, suspension, or other sanction.

- (ii) The Member being expelled, suspended, or other sanction shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held no fewer than five (5) days before the effective date of the proposed suspension, expulsion, or other sanction. The hearing shall be held by the Board of Directors. The notice to the Member of its proposed expulsion, suspension, or other sanction shall state that such Member is entitled, upon request, to such hearing, shall state that a date, time and place of the hearing will be established upon receipt of request therefore, and shall state, that in the absence of such request, the effective date of the proposed suspension or expulsion.
- (iii) In the event that a hearing is held, then following the hearing, the Board of Directors shall decide whether the Member should in fact be expelled, suspended, or sanctioned in some other way. The decision of the Board of Directors shall be final.
- (iv) Any action challenging an expulsion or suspension of membership of a Member, including any claim alleging defective notice, must be commenced within one (1) year after the date of the expulsion, suspension, or other sanction.

e. Reinstatement. Members suspended or expelled may be reinstated upon the absolute two-thirds (2/3) vote of the Board of Directors.

Section 6. Property Rights. No member shall have any right or interest in any of the property or assets of this Corporation.

Section 7. Nonliability. No member shall be personally liable for the debts, liabilities, or obligations of this Corporation.

Section 8. Nontransferability. No member may transfer for value or otherwise, a membership or any right arising therefrom, and all rights of membership shall cease upon the member's bankruptcy, resignation, expulsion, suspension, sanction, or dissolution. In the case of a merger or acquisition of a member company by another company, the rights of membership shall be continued to the new legal entity.

Section 9. Distribution of Assets Upon Dissolution. Upon a dissolution of this Corporation, and after all of the known debts and liabilities of this Corporation have been paid or adequately provided for remaining assets shall be distributed as prescribed in the Articles of Incorporation.

## **Article IV. Membership Meetings**

**Section 1. Place of Meetings.** All meetings of members shall be held at any place which may be designated by the Board of Directors pursuant to the authority hereinafter granted to the said Board, or by the written consent of all members entitled to vote thereat, given either before or after the meeting and filed with the Secretary of the Corporation.

**Section 2. Regular Meetings.** Regular meetings of members of the Corporation shall be held at such dates and at such times and places as determined by resolution of the Board of Directors. Additional member meetings may be set as determined by the Board of Directors and pursuant to notification as defined in these Bylaws.

**Section 3. Special Meetings.** Special meetings of members, for any lawful purpose or purposes whatsoever, may be called at any time by the President, the Board of Directors, or by a minimum of twenty-five percent (25%) of the Sponsor members. Notice of such request must be submitted in writing and mailed to the principal office of the Corporation, or delivered to the President, the Vice-President or Secretary, by any person or persons other than the Board entitled to call a special meeting of members. The notice must state the business to be transacted at the special meeting. It shall be the duty of the officer to cause notice to be given, within twenty (20) days from receipt of such a request, to the members entitled to vote at the meeting scheduled and to be held not less than thirty-five (35) days nor more than ninety (90) days after the receipt of such a request. A quorum of Sponsor members must be present at the special meeting in order to conduct the business of the Corporation.

**Section 4. Notice of Annual Meetings.** A notice of each annual meeting, written ballot for election of Directors or otherwise, if any, and special meeting shall be given by the President or, in case of his failure or refusal, by any other officer or any Director; shall specify the place, time, day and hour of the meeting or the date on which the ballot shall be returned, if applicable; in the case of an annual meeting at which Directors shall be elected, shall specify the names of all those who are candidates for election of Directors at the time the notice is given, and in the case of special meetings, the nature of the business to be transacted thereat. Such notice shall be given in writing to every member of the Corporation who, on the record date for notice of the meeting, is entitled to vote thereat. Such notice shall be given either personally or by sending a copy thereof by first-class mail, postage or charges prepaid, or by electronic or telephonic communication including e-mail to the member's address appearing on the books of the Corporation, at least ten (10) days but no more than ninety (90) days prior to the date fixed for such meeting; provided, however, that if notice is given by mail and is not sent first class, registered or certified mail, notice shall be given not less than twenty (20) days before the meeting.

**Section 5. Recessed Meetings.** Any members' meeting, annual or special, whether or not a quorum is present, may be recessed from time to time by the vote of a majority of the members either present in person or represented by proxy thereat, but in the absence of a quorum no other business may be transacted at any such meeting. No meeting may be recessed for more than 45 days, annual or special, to another time or place. It shall not be necessary to give any such notice of the time and place of the recessed meeting or of the business to be transacted thereat, other than by an announcement at the meeting at which such recess is taken. If after the recess a new record date is fixed for notice or voting, a notice of the recessed meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting.

Section 6. Quorum. The presence in person or by proxy of thirty-three percent (33%) of the members of the Corporation shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to do business until a quorum is no longer present.

Section 7. Voting. Each member in good standing (i.e. members who have paid their membership fees, dues and assessments in accordance with these Bylaws and whose membership has not been terminated) is entitled to one vote on each matter submitted to a vote of the members. Voting shall be by voice vote, and/or electronic mail and/or written response as directed by the chair of the meeting. No single vote shall be split into fractional votes. Cumulative voting shall not be authorized.

Section 8. Action Without Meeting by Written Ballot. Any action, which may be taken at any regular or special meeting of members, may be taken without a meeting if the Corporation distributes a written ballot to every member entitled to vote on the matter. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Corporation. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds a quorum of the members, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. Ballots shall be distributed to members. All ballots distributed shall indicate the number of responses needed to meet the quorum requirement and shall state the percentage of approvals necessary to pass the measure submitted. All written ballots distributed shall specify the time by which the ballot must be received in order to be counted. The use of electronic mail shall be permitted and allowed as written in the ballot

Section 9. Proxies. Every member entitled to vote shall have the right to do so in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of the Corporation; but no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it specifies therein the length of time for which such proxy is to continue in force.

Section 10. Conduct of Meetings. Meetings of members shall be presided over by the Chairman of the Corporation, or in his absence, by the President, and in the absence of both of them, by the chair chosen by a majority of the members present. The Secretary of the Corporation shall act as the secretary of all meetings of members, provided that in his absence the presiding officer shall appoint another member to act as Acting Secretary of the meeting.

## **Article V. Board of Directors**

**Section 1. Powers.** Subject to the limitations of the Articles of Incorporation, of the Bylaws, and of the North Carolina Nonprofit Corporation Law and subject to the duties of Directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of this Corporation shall be controlled by, the Board of Directors. The Board of Directors shall have the power to select and remove all officers, agents, employees and contractors, and to fix reasonable compensation thereof, to authorize and empower officers or agents to enter into contracts and other commitments on behalf of this Corporation, and to appoint and delegate responsibilities and authority to committees, officers and agents.

**Section 2. Qualification for Board of Directors.** Executive, Sponsor, and Individual Members shall have the right to serve on the Board of Directors, subject to election as described in Section 4. The Executive Director shall be an ex-officio member of the Board of Directors, No other individuals or entities shall have the right to serve on the Board of Directors.

**Section 3. Number of Directors.** The authorized number of Directors shall not be more than fifteen (15) and shall be not less than three (3) with the exact number of authorized directors to be fixed from time to time by resolution of the Board of Directors.

**Section 4. Allocation of Board Positions.** Up to five director positions shall be reserved for members at-large, who are not affiliated with any Executive Sponsor Member. Up to nine director positions shall be reserved for designees of Executive Sponsor Members. The remaining position is reserved for the Executive Director.

### **Section 5. Election of Directors.**

Annually, the Members shall elect Directors.

For as long as the number of Executive Sponsor Members is less than the available number of director positions allocated for Executive Sponsor Members, the Executive Sponsor Member designees shall be deemed elected to the Board without further balloting.

At any time that the number of Executive Sponsor Members exceeds the number of available positions, the following nomination and election process shall apply.

Candidates may be nominated by a vote of a majority of the Directors or upon written nomination for an Executive Sponsor position signed by two (2) of the Executive Sponsor Members or upon written nomination for an at-large position signed by at least 10 members not affiliated with any Executive Sponsor Member and submitted to the Secretary of the Corporation at least thirty (30) days prior to the date of the election. At such time as all nominees for the Directors are known, but in no event later than twenty-one (21) days prior to the date of the election, the Secretary shall provide each Member with a written ballot containing the names of all nominees for election.

Voting for the election of Directors shall be by written ballot and shall occur prior to the Annual Meeting of Members. Each Member shall cast votes only for candidates within their representative director group (i.e., Executive Sponsor or At-Large), one vote per candidate, and

for as many candidates as the number of candidates to be elected to the Board. The candidates receiving the highest number of votes, up to the number of Directors to be elected within each director group, shall be elected for a two (2) year term.

In the event, no candidates have been timely nominated for written ballot election in accordance to these bylaws, the Secretary shall facilitate a call for nominees and an election of a new slate of directors by the members at the next annual membership meeting.

Section 6. - Individual Members Serving on Board of Directors. If elected or appointed, each Individual Member shall serve themselves without privilege of any alternate.

Section 7. Organization Members Serving on Board of Directors. If elected or appointed, each Sponsor Member shall designate one (1) Director and one (1) Alternate Director to serve on the Board of Directors.

a. Each of the Directors designated by a Sponsor Member must be an employee or duly appointed representative of the Sponsor Member on behalf of which it is serving. Each such Sponsor Member shall have the option to remove the Director it has designated and replace such Director at any time, with or without cause. No other entity or entities, including without limitation the Board of Directors, shall have any right to remove a Director designated pursuant to this Section. Notwithstanding the foregoing, the Board of Directors may remove a Director for cause pursuant to Section 5; in the event of such a removal the respective Sponsor Member shall designate a different Director for the remaining term.

b. Alternate Directors. The following procedures shall apply to Alternate Directors:

Alternate Directors; Voting. 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 shall be referred to as an "Alternate Director". When serving in the capacity of Director, the Alternate Director shall have all the rights, privileges and responsibilities of the 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.

Role of Alternate 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 director status upon the termination of his absence. In the event that the Alternate Director is serving as a Director due to the death, resignation, or removal of the Director, the Alternate Director shall immediately become a Director, and the corresponding position of Alternate Director shall become vacant.

Application of Bylaws. All provisions of these Bylaws apply equally to the Alternate Directors as to the Directors, unless otherwise noted.

c. Observers. In the event that neither the Director nor the Alternate Director is capable of serving due to absence or otherwise, the Sponsor Member in question shall have the right to appoint a nonvoting observer to attend Board meetings.

Section 8. Restrictions on Eligibility to Serve as a Director, Control Groups. No more than one (1) individual employed by or affiliated with a Control Group shall be permitted to

serve as a Director of the Corporation or as an Alternate director at one time. For purposes of this section, "Control" shall mean (i) the ownership of more than 50% of the total voting securities of another entity, or (ii) in the case of unincorporated entities "Control" shall mean the ownership of more than 50% of the ownership interest representing the right to make decisions for the entity; and "Control Group" shall include all corporations or other entities which are Controlled by a Sponsor Member, which Control a Sponsor Member, or which are also Controlled by the corporation or entity that Controls a Sponsor Member.

Section 9. Vacancies. Vacancies in the Board of Directors, if not filled by Alternate Directors pursuant to Section 5 or by the Sponsor Member(s) pursuant to Section 5, may be filled by an absolute two-thirds majority of the remaining Directors then in office.

Section 10. Place of Meeting. All meetings of the Board of Directors may be held at any place that has been designated from time to time by resolution of the Board or by the written notice of the Chairman or the President.

Section 11. Organization Meetings. Meetings of the Board of Directors shall be held from time to time as the Board of Directors may fix, as may be specified and noticed by the Board of Directors, the Chairman, or by the President of this Corporation.

Section 12. Special Meetings. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman, the President, the Secretary or by any two (2) of the Directors.

Section 13. Notice of Meetings; Attendance. Notice of the time and place of each meeting of the Board of Directors not fixed by an express provision of the Bylaws or by a standing Resolution of the Board of Directors shall be given to each Director and Alternate Director not less than two (2) business days before the date of the meeting if given personally, by telephone or by electronic means including e-mail, and not less than ten (10) days before the date of the meeting if given by first-class mail.

Section 14. Consent to Meetings. The transactions of the Board of Directors at any meeting however called and noticed or wherever held, shall be as valid as though done at a meeting duly held after call and notice if a quorum be present and if either before or after the meeting each Director not present (i) signs a written waiver of notice, or (ii) signs a consent to the holding of such meeting, or (iii) approves the minutes thereof. Each Director who attends the meeting without protesting, prior thereto or at its commencement shall be deemed conclusively to have consented to the holding of the meeting and to have waived the lack of notice to such Director. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 15. Action Without Meeting. Any action required or permitted to be taken by the Board of Directors under any provision of the North Carolina Nonprofit Corporation Law may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents 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 a unanimous vote of such Directors. Any certificate or other document filed under any provision of the North Carolina Nonprofit Corporation Law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting, and that the Bylaws authorize the Directors to so act. For the

purposes of this section only, "all members of the Board" shall not include any "Interested Director."

Section 16. Telephonic Meetings. Directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting through use of telephone or similar communications equipment shall constitute presence in person at such meeting.

Section 17. Quorum. A simple majority of the Directors in office from time to time shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present, shall be regarded as the act of the Board of Directors unless a greater number be required by law, or by the Articles of Incorporation, or by these Bylaws.

Section 18. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any Directors' meeting to meet again at another time or place. In the event a meeting of the Board of Directors is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time set for the rescheduled meeting to the Directors who were not present at the time of the adjournment.

Section 19. Fees and Compensation. Directors, other than the Executive Director, shall serve without compensation, but by resolution of the Board of Directors, a fixed fee may be allowed for attendance at each meeting. Directors may be reimbursed in such amounts as may be determined from time to time by the Board of Directors for expenses paid while acting on behalf of the Corporation and/or expenses incurred in attending meetings of the Board of Directors. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefore so long as such compensation is approved by a majority of disinterested Directors.

Section 20. Indemnity for Litigation. This Corporation hereby agrees to exercise the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a Director or officer of this Corporation, to the full extent allowed under the provisions of the North Carolina Nonprofit Corporation Law relating to the power of a corporation to indemnify any such person. The amount of such indemnity shall be so much as the Board of Directors determines and finds to be reasonable, or, if required by said Section 7237, the amount of such indemnity shall be so much as the court determines and finds to be reasonable.

Section 21. Standard of Conduct. Pursuant to the North Carolina Nonprofit Corporation Law, a Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of this Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position 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 this Corporation whom the Director believes to be reliable and competent in the matters presented;

b. Legal counsel, independent accountants or other professionals 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 the committee's designated authority, which committee the Director believes to merit confidence. Provided, that in any such case, the Director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 22. Self-Dealing Transactions. As used in this section, a "self-dealing contract" is any contract or transaction (i) between this Corporation and one or more of its Directors, or between this Corporation and any corporation, firm or association in which one or more of the Directors or, to the best of each respective Director's knowledge at the time the contract or transaction is proposed, or thereafter, one or more Sponsor Members has a material financial interest, or (ii) between this Corporation and a corporation, firm or association of which one or more of its directors are Directors of this Corporation (collectively, "Interested Director(s)"). Pursuant to the North Carolina Nonprofit Corporation Law, no self-dealing contract shall be void or voidable because such Interested Director(s) or corporation, firm or association are parties or because such Interested Director(s) are present at the meeting of the Board or committee which authorizes, approves or ratifies the self-dealing contract, if:

a. Membership Approval. All material facts are fully disclosed to or otherwise known by the members and the self-dealing contract is approved by the members in good faith including the abstention from voting by any membership owned by such Interested Director(s); or

b. Board or Committee Approval. All material facts are fully disclosed to or otherwise known by the Board or committee and the Board or committee authorizes, approves, or ratifies the self-dealing contract in good faith (including the abstention from voting by the Interested Director(s)), and, in the case of a self-dealing contract described above, the Board or committee resolves and finds that the contract is just and reasonable at the time it is authorized, approved or ratified; or

c. Just and Reasonable Contract. The person asserting the validity of the self-dealing contract sustains the burden of proving that the contract was just and reasonable as to the Corporation at the time it was authorized, approved or ratified.

Interested Director(s) may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof, which authorizes, approves or ratifies a contract or transaction as provided in this Section.

#### Section 23. Resignation and Removal.

a. Resignation. Any Director may resign at any time by giving written notice to the Board of Directors, to the President or to the Secretary of this Corporation.

b. Removal. Any Director may be removed by the Board for any of the following, all of which constitute removal for cause: (i) conviction or entry of a plea of nolo contendere for a crime; (ii) intentional breach of fiduciary duties; (iii) public disparagement or ridicule of the Corporation; or (iv) gross mismanagement or waste. Any Director may also be removed by the Sponsor Member, which designated such Director.

#### Section 24. Executive Board.

a. Definition. The Executive Board shall include of all principal officers. Should there be less than three principal officers, the next most senior Executive Sponsor designee(s) on the Board shall also be a member(s) of the Executive Board as required to provide a minimum of three members.

b. Duties. The Executive Board shall normally have those powers and duties as designated from time to time by the Board of Directors.

c. Emergency Authority. In the event that a quorum of the full Board of Directors cannot be timely achieved to act on urgent business, the Executive Board may act with the full authority of the Board of Directors on all matters, except for changes to these bylaws or to the articles of incorporation. Any actions taken under this emergency authority shall be communicated to the full Board within five business days.

c. Quorum. A simple majority of the Executive Board constitutes a quorum.

Section 25. Advisory Board. The Board of Directors may, at its sole discretion, appoint a board of advisors ("Advisory Board") with which the Board of Directors shall consult on matters relating to the operation of the Corporation. The members of the Advisory Board shall not have the rights or privileges of Directors or Members as set forth in the applicable law of the State of North Carolina and shall have no power or authority over the operation of the Corporation. A member of the Advisory Board may be removed at any time by the Board of Directors.

### Article VI. Officers

Section 1. Officers. The principal officers of this Corporation shall be a Chairman, President, , Chief Financial Officer or Treasurer, and Secretary and such other officers as the Board of Directors may appoint. One person may hold two or more offices.

Section 2. Election. The officers of this Corporation shall be elected by the Board of Directors in accordance with this Article 6, and each officer shall hold his or her office for a term of one (1) year, or until he or she shall resign or shall be removed or his or her successor shall be elected and qualified.

#### Section 3. Removal and Resignation.

a. Removal. Any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting (subject to the rights, if any, of an officer under any contract of employment).

b. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, or to any officer of this Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless

otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall not prejudice the rights of the Corporation under any contract to which the officer is a party.

Section 4. Vacancies. A vacancy in any officer position because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such officer position.

Section 5. Chairman. The Chairman shall be a member of the Board of Directors and preside at all meetings of the Board of Directors and the Membership. The Chairman may serve as an ex officio voting member of all committees, and shall have such other powers and duties as may be designated from time to time by the Board of Directors.

Section 6. President. The President shall serve as the Chief Executive Officer of this Corporation. Subject to the control of the Board of Directors, the President shall have general supervision, direction and control of the business and affairs of this Corporation. The President may serve as an ex officio voting member of all committees, and shall have such other powers and duties as may be designated from time to time by the Board of Directors. The President shall be a member of the Board of Directors and in the absence of the Chairman shall preside at meetings of the Board of Directors or the Membership.

Section 7. Chief Financial Officer/Treasurer. The Chief Financial Officer shall oversee the financial and accounting matters of this Corporation with respect to the receipt and deposit of funds. The Chief Financial Officer shall have such other powers and duties as may be designated from time to time by the Board of Directors.

Section 8. Secretary. The Secretary shall keep a full and complete record of the proceedings of the Board of Directors, shall keep the seal of this Corporation and affix it to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the records of this Corporation, and shall deliver the Annual Statement to the Directors. The Secretary shall have such other powers and duties as may be designated from time to time by the Board of Directors.

Section 9. Vice President. One or more Vice Presidents may be appointed with such powers and duties as may be designated from time to time by the Board of Directors. Vice Presidents are not principal officers of the Corporation unless explicitly designated as such by the Board of Directors.

Section 10. Executive Director. While so engaged, this compensated staff executive shall serve as a principal officer of the Corporation and an ex-officio voting member of the Board of Directors. The Executive Director provides executive leadership and management services for the Corporation subject to the general direction and oversight of the Board of Directors. The Board may consolidate all management responsibilities by electing the Executive Director to the positions of President, Secretary & Treasurer.

## **Article VII. Committees**

**Section 1. Appointment of Committees.** The Board of Directors may appoint such committees as the Board from time to time deems necessary or appropriate to conduct the business and further the objectives of this Corporation. The appointment by the Board of any committee having the authority of the Board shall be by resolution adopted by a majority of Directors then in office. Committees may include, but shall not be limited to, a Technical Steering Committee, Marketing Steering Committee, and Executive Steering Committee. Eligibility to serve on such committees shall extend to Members only.

**Section 2. Powers and Authority of Committees.** The Board of Directors may delegate to any committee having the authority of the Board, any of the powers and authority of the Board of Directors in the management of the business and affairs of this Corporation, except the following:

- a. The approval of any action for which the North Carolina Nonprofit Corporation Law also requires the approval of members of a corporation.
- b. The filling of vacancies on the Board or in any committee that has the authority of the Board.
- c. The fixing of compensation of the Directors for serving on the Board or on any committee.
- d. The amendment or repeal of Bylaws or the adoption of new Bylaws.
- e. The amendment or repeal of any resolution of the Board, which by its express terms is not so amendable or repealable.
- f. The appointment of committees of the Board or the members thereof.
- g. The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.

**Section 3. Standing Committees.** The following committees shall be deemed required to conduct the business of the organization and shall be known as Standing Committees. In the absence of the appointment of any standing committee, the full Board of Directors shall serve as membership of that standing committee.

- a. Audit Committee.
  - i) This committee shall include at least three members, with the Treasurer serving as an ex-officio, non-voting member.
  - ii) A chairman shall be appointed from among the committee members other than the Board Chair, Executive Director, or Treasurer.
  - iii) The committee shall at least annually review the financial position and controls of the organization and report its findings to the Board of Directors.

## **Article VIII. Miscellaneous**

**Section 1. Fiscal Year.** The fiscal year of this Corporation shall end on the last day of December of each year.

**Section 2. Inspection of Corporate Records.** The books of account and minutes of the proceedings of the Board of Directors, and of any committees of the Board of Directors, shall be open to inspection at the principal office of this Corporation by each Director at any reasonable time upon the written demand of any Director. Such inspection may be made in person or by an agent or attorney, and shall include the right to make photocopies and extracts at the requesting Director's expense.

**Section 3. Representation of Shares of Other Corporations.** Any officer of this Corporation is authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this Corporation. The authority herein granted to said officers may be exercised by such officers in person or by other persons authorized to do so by proxy duly executed by such officers.

**Section 4. Checks, Drafts, Etc.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to this Corporation and any and all securities owned by or held by this Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Directors.

**Section 5. Execution of Contracts.** The Board of Directors may authorize any officer, employee, or agent to enter into any contract or execute any contract or execute any instrument in the name of and on behalf of this Corporation and such authority may be general or confirmed to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind this Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount. Provided, that pursuant to the North Carolina Nonprofit Corporation Law, any such contract or instrument between this Corporation and any third person, when signed by (i) the President or Vice President, and (ii) the Secretary or Chief Financial Officer of this Corporation, shall be valid and binding upon this Corporation in the absence of actual knowledge on the part of said third person that the signing officers had no authority to execute the same.

**Section 6. Annual Statement of Certain Transactions and Indemnifications.** Pursuant to the North Carolina Nonprofit Corporation Law, the Board of Directors shall cause an annual statement of certain transactions and indemnifications to be delivered to the Board of Directors not later than one hundred twenty (120) days after the close of the fiscal year. If this Corporation issues an annual report, this requirement shall be satisfied by including the required information, as set forth below, in said annual report. Such annual statement shall describe:

- a. The amount and circumstances of any loans, guarantees, indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year of this Corporation to any officer or Director of this Corporation; provided, that no such report need be made in the case of any loan, guarantee, indemnification or advance approved by the members; and

b. Any "covered transaction" (defined below) during the previous fiscal year of this Corporation involving (1) more than Fifty Thousand Dollars (\$50,000) or, (2) which was one of a number of "covered transactions" in which the same "interested person" (defined below) had a direct or indirect material financial interest, and which transactions in the aggregate involved more than Fifty Thousand Dollars (\$50,000). The statement shall describe the names of any "interested persons" involved in such covered transactions, including such "interested person's" relationship to the transaction, and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which the interested person is only a partner, only the interest of the partnership need be stated. For the purposes of this section, a "covered transaction" is a transaction in which this Corporation, or its parent or subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:

- i) Any Director or officer of this Corporation, or its parent or subsidiary;  
or
- ii) Any holder of more than ten percent (10%) of the voting power of this Corporation, or of its parent or subsidiary.

For purposes of this section, any person described in either subparagraph (i) or (ii) above is an "interested person."

Section 7. Corporate Loans, Guarantees and Advances. This Corporation shall not make any advances or make any loan of money or property to or guarantee the obligation of any director or officer, except as is expressly allowed under the North Carolina Nonprofit Corporation Law.

Section 8. Public Inspection and Disclosure. The Corporation shall have available for public inspection at its principal office a copy of its three (3) most recent annual exempt organization information returns and a copy of its application for recognition of exemption and determination letter. In addition, in the event that the Corporation provides services or information to the public for a fee, and such services or information are available from the federal government free of charge or for a nominal cost, such availability shall be conspicuously disclosed in an easily recognizable format in any solicitation or offer by the Corporation.

Section 9. Political Activities. The Corporation shall not make any political expenditure or lobbying expenditure, which will result in the loss of, or otherwise adversely affect, its status as a tax-exempt organization under the United States Internal Revenue Code.

## **Effective Date and Amendments**

Effective Date. These Bylaws shall become effective immediately upon their adoption. Amendments to these Bylaws shall become effective immediately upon their adoption unless the Board of Directors of this Corporation in adopting them provided that they are to become effective at a later date.

Amendments. These Bylaws may be amended or repealed and new Bylaws adopted by an absolute two-thirds vote of the Board of Directors upon proper notice, unless such action is reserved for approval by members pursuant to applicable law.