

**BYLAWS  
OF**

**NORTH AMERICAN ASSOCIATION OF ISSUING BODIES (NAAIB)**

**A CALIFORNIA PUBLIC BENEFIT CORPORATION**

**ARTICLE 1  
OFFICES**

**SECTION 1. PRINCIPAL OFFICE**

The principal office of the corporation for the transaction of its business is located in the County of San Francisco, California.

**SECTION 2. CHANGE OF ADDRESS**

The county of the corporation's principal office can be changed only by amendment of these Bylaws and not otherwise. The Board of Directors may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these Bylaws:

\_\_\_\_\_ Dated: \_\_\_\_\_, 20\_\_

\_\_\_\_\_ Dated: \_\_\_\_\_, 20\_\_

\_\_\_\_\_ Dated: \_\_\_\_\_, 20\_\_

**SECTION 3. OTHER OFFICES**

The corporation may also have offices at such other places, within or outside the State of California, where it is qualified to do business, as its business may require and as the Board of Directors may, from time to time, designate.

## **ARTICLE 2 PURPOSES**

### **SECTION 1: OBJECTIVES AND PURPOSES**

The primary objective of this corporation (NAAIB) is to create a forum for the coordination and cooperation of existing and emerging systems issuing, tracking or registering electric generation or conservation certificates or related environmental attributes in North America, and to foster the development of new systems.

The NAAIB will focus on the following organizational activities.

1. Facilitate the creation of voluntary standards and protocols that promote compatibility among existing and emerging certificate issuing or tracking systems in North America.
2. Convene representatives of North American issuing or tracking systems on a regular basis to discuss common issues and resolve common problems.
3. Maintain an aggregated renewable energy "Generator Registry" for North America to facilitate the efforts of the issuing or tracking systems to ensure that electric generation or conservation certificates are not double-counted.
4. Maintain a library of resources to assist existing and emerging issuing, tracking or registering systems, including but not limited to, model contracts and agreements, legal arguments, operating rules, best practices, lessons learned, etc.
5. Provide a forum for the resolution of different interpretations of NAAIB standards, protocols or best practices.
6. Provide a forum for discussions relating to interaction between North American certificate issuing or tracking systems and emissions registering and accounting bodies.
7. Provide a forum for representatives of North American greenhouse gas registries to meet on a regular basis to discuss common issues, develop common standards and resolve common problems.
8. Issue reports on North American aggregated certificate and related market activity.
9. Consult with jurisdictions whose stakeholders are interested in developing a certificate or environmental attributes tracking system.

## **ARTICLE 3 MEMBERSHIP**

### **SECTION I. MEMBERSHIP CATEGORIES**

NAAIB has three classes of membership: Members of the Councils (full members); members of advisory committees (affiliate members), and non-voting Corresponding Participants of the Governmental Advisory Committee.

### **SECTION 2. COUNCILS**

A Council of certificate issuing, tracking or registering systems shall be established by the Board of Directors. Other Councils may be established at a later time at the discretion of the Board of Directors.

Membership in a Council is open to organizations representing the varied interests of that Council and that support the objectives and purposes of the NAAIB. The Board shall establish procedures for approving membership to a Council. The Board shall make the final decision by a majority vote of the quorum.

Each Council Member shall have one voting representative on the Council. Each Member will appoint its representative to the Council and may designate an alternate.

Council Members shall pay an annual fee established by the Board of Directors.

A quorum of the Council is established by the presence of a majority of its members.

Each Council shall annually elect, by a majority vote of the quorum participating in that meeting, a Chairperson and Vice Chairperson from the individuals representing the Members. The process for nominations and election shall be determined by each Council.

The Chair or Vice-Chair of a Council may appoint ad hoc working groups as needed.

Each Council shall prepare a plan of activities (e.g., issues, reports, meetings) and budget for the coming year, and submit it to the Board of Directors for consideration and action. In preparing such a plan of activities, each Council shall take into consideration activity recommendations made by the Stakeholder and Governmental Advisory Committees.

Reports, recommendations or other public statements prepared by a Council may be published with the approval of the Board of Directors, provided, however, that the Board if desired may delegate review and approval of such publications to the Secretary General. In reviewing proposed publications, the Secretary General shall decide whether the publication creates or implies any legal or financial obligations or responsibilities for the NAAIB, and if the

answer is in the affirmative, the publication shall be reviewed and acted upon by the Board before publication.

A Council may circulate draft reports or recommendations to interested stakeholders from the Stakeholder and Governmental Advisory Committees without the approval of the Board.

Approval of documents by a Council shall be by a majority vote of a quorum. Such document is then sent to the Board of Directors or Secretary General, according to rules established by the Board of Directors, for final approval. If there is significant disagreement, the Board may decide if it wants to issue the report as is, include a minority report or issue no report.

Council Members shall pay an annual fee established by the Board of Directors.

### **SECTION 3. STAKEHOLDER ADVISORY COMMITTEE**

Stakeholder entities are eligible to become Affiliate Members. Approval by the Board is not necessary for Affiliate Members.

Participation in the Stakeholder Advisory Committee is open to any interested entity that becomes an Affiliate Member of NAAIB. Each Affiliate Member shall name a representative and may name an alternate to the Committee.

Affiliate Members shall pay the annual fee established by the Board of Directors.

The Stakeholder Advisory Committee shall elect a Chairperson and Vice Chairperson and organize itself in other ways as it sees fit.

The Stakeholder Advisory Committee is entitled to:

- Elect two individuals to the Board of Directors;
- Raise issues to the attention of the Council or Board of Directors as appropriate, by notifying the Secretary General of NAAIB;
- Propose work items for the Council(s) for the coming year;
- Review and provide comment on draft reports, recommendations, protocols, best practices, etc. prior to their being made final; and
- Receive support from the NAAIB staff for communications and meetings among themselves.

### **SECTION 4. GOVERNMENTAL ADVISORY COMMITTEE**

Participation in the Governmental Advisory Committee is open to any regulatory or governmental agency interested in participating. Approval by the Board is not necessary.

Participating governmental agencies will pay an annual fee established by the Board of Directors unless exempted by the Secretary General.

Each participating agency will appoint one representative on the Governmental Advisory Committee and may designate an alternate.

Individuals employed by government or regulatory agencies that are not formally appointed by their agency may participate in the Governmental Advisory Committee as non-voting, Corresponding Participants.

The Secretary General shall chair the Governmental Advisory Committee until such time as the Committee elects its own Chairperson and Vice Chairperson. The Committee may organize itself in other ways as it sees fit.

The Governmental Advisory Committee may:

- Elect one representative from each participating country in the Governmental Advisory Committee as non-voting representatives to the Board of Directors;
- Raise issues to the attention of a Council or Board of Directors as appropriate, by notifying the Secretary General of NAAIB;
- Propose a plan of activities (issues, reports, meetings) for the coming year, and submit it to the Board of Directors for consideration and action;
- Propose work items for the Council(s) for the coming year;
- Review and provide comment on draft reports, recommendations, protocols, best practices, etc. prior to their being made final; and
- Receive support from the NAAIB staff for communications and meetings among themselves.

## **ARTICLE 4 BOARD OF DIRECTORS**

### **SECTION 1. NUMBER OF DIRECTORS**

The Board of Directors shall consist of not less than three (3) and not more than fifteen (15) Directors.

### **SECTION 2. AUTHORITY**

Subject to the provisions of the California Nonprofit Public Benefit Corporation law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this

corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

### **SECTION 3. RESPONSIBILITIES**

The Board of Directors is responsible for the fiduciary and legal obligations of the NAAIB. It has the general power to control and manage the affairs, funds and property of the NAAIB consistent with the purposes stated in the Articles of Incorporation. The Board of Directors will perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws.

The Board of Directors makes decisions on any policy, operational or budgetary issues of the NAAIB. The Board of Directors will approve any membership fees or other fees levied by the NAAIB.

The Board of Directors may establish separate Councils for each distinct area of interest. Initially, the Board will establish a Council to support the activities of energy certificate tracking systems. At its discretion, the Board may establish other Councils as appropriate. The Board shall provide guidance or establish rules for the scope and operation of each Council.

The Board of Directors will establish a Stakeholder Advisory Committee and a Governmental Advisory Committee. The Board of Directors may establish additional advisory committees as deemed appropriate.

The Board of Directors is responsible to appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of the Secretary General of the corporation.

The Board of Directors provides strategic direction to the Secretary General and works with the Secretary General to develop the policy recommendations for consideration by the Councils. The Board will supervise the Secretary General of the corporation to assure that his or her duties are performed properly.

The Board of Directors will confer with all Councils, Committees and the Secretary General to set the agenda for Board meetings.

### **SECTION 4. TERMS OF OFFICE**

Each Director shall hold office for a staggered term of three years. Each Director shall hold office until his or her successor is elected and qualifies, unless a Director submits a resignation to the Board or is removed by a vote of the Board of Directors. A Director may serve multiple terms in office.

## **SECTION 5. ELECTION TO THE BOARD OF DIRECTORS**

The initial Directors shall be the incorporators of the organization.

Each Council may elect two persons to the Board of Directors, except that initially while there is only one Council, that Council may elect three persons to the Board of Directors. If and when a second Council is created, the initial Council will decide at the next election which two Directors shall remain. If the number of Councils should be increased to more than five, each Council shall elect only one person to the Board of Directors.

The Stakeholder Advisory Committee may elect two persons to the Board of Directors.

The Governmental Advisory Committee may elect one non-voting person to the Board of Directors from each country participating in the Government Advisory Committee. Because they are non-voting Directors, they shall not be counted in establishing a quorum.

The Secretary General shall be a voting member of the Board of Directors.

## **SECTION 6. VACANCIES**

Each Council or Committee must elect a person to the Board of Directors within the calendar year when a standing Director representing a Council or Committee is in his or her third year in office. If a Council or Committee fails to elect a replacement Director, the Board may appoint one or opt to leave the position vacant.

A person approved by the Board to fill a vacancy as provided by this Section shall hold office until his or her term of office is up or until his or her death, resignation or removal from office.

Unscheduled vacancies on the Board of Directors, outside the regular term of office, may be filled by nomination by the Chairperson or Vice Chairperson of the representative body and approved by a majority of the Board of Directors. A person filling a vacancy in this manner shall hold office for the remainder of the term of the previous incumbent.

## **SECTION 7. RESIGNATION**

Any director may resign effective upon giving written notice to the Chairperson of the Board, the Secretary/Treasurer, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No Director may resign if the corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the Attorney General.

## **SECTION 8. REMOVAL FROM OFFICE**

Removal of a director may occur, with or without cause, by a two-thirds vote of all directors then serving in office, or by a two-thirds vote of the body that elected the Director, or as a consequence of being absent from three consecutive Board meetings without explanatory communication acceptable to the Chairperson and upon a vote to remove by a majority of the directors present at a meeting of the Board of Directors.

## **SECTION 9. COMPENSATION**

Directors shall serve without salary or other compensation, but the Board of Directors may authorize reimbursement for any expense incurred by a Director or Ex-Officio Member of the Board in the performance of his or her duties. Nothing herein contained shall be construed to preclude any director from serving the NAAIB in any other capacity as an officer, agent or otherwise from receiving compensation therefore.

## **SECTION 10. MEETINGS**

Board meetings will occur not less than twice annually. A spring meeting shall be held no later than May 15<sup>th</sup> of any year.

The Board will meet at such times and places as required in these Bylaws. The Board of Directors will register their addresses with the Secretary/Treasurer of the Corporation. Notices of meetings may be mailed or sent via electronic mail (e-mail) to Directors at such addresses and shall be valid notices thereof.

## **SECTION 11. PLACE OF MEETINGS**

Meetings shall be held at the principal office of the corporation unless otherwise provided by the Board or at such place within or outside the State of California which has been designated from time to time by resolution of the Board of Directors. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another.

## **SECTION 12. SPECIAL MEETINGS**

Special meetings of the Board of Directors may be called by Chairperson, Vice Chairperson, Secretary/Treasurer, or any two directors, and such meetings may be held telephonically or at the principal office of the corporation.

### **SECTION 13. NOTICE OF MEETINGS**

Regular meetings of the Board must be held with at least 30 days notice by first class mail, telephone, facsimile, or electronic mail (e-mail). Special meetings of the Board shall be held upon no less than four (4) days' notice by telephone, facsimile, or electronic mail (e-mail). If sent by mail, the notice shall be deemed to be delivered on its deposit in the mails. Such notices shall be addressed to each director at his or her address as shown on the books of the corporation.

### **SECTION 14. CONTENTS OF NOTICE**

Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any regular (semi-annual) Board meeting need not be specified in the notice, but a notice of special meeting shall state the purposes and the questions and matters to be considered.

### **SECTION 15. QUORUM FOR MEETINGS**

A quorum shall consist of a majority of the Directors. If there is an even number of directors sitting on the Board, a quorum is one person more than half of the sitting Board members.

Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn. However, a majority of the Directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board.

The Directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this corporation.

### **SECTION 16. MAJORITY ACTION AS BOARD ACTION**

Each Director shall have one vote, except for Directors representing the Governmental Advisory Committee, who shall not vote. 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 is the act of the Board of Directors, unless the Articles of Incorporation or Bylaws of this Corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to

appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the Board.

## **SECTION 17. CONDUCT OF MEETINGS**

Meetings of the Board of Directors shall be presided over by the Chairperson of the Board, or, if no such person has been so designated or, in his or her absence, the Vice Chairperson or, in his or her absence, by the Secretary/Treasurer of the corporation or, in the absence of each of these persons, by a Chairperson chosen by a majority of the Directors present at the meeting.

The Secretary/Treasurer of the Corporation shall act as Secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.

Meetings shall be governed by Sturgis Rules of Order or other rules as chosen by the Board of Directors, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this Corporation, or with provisions of law.

## **SECTION 18. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING**

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. For the purposes of this Section only, "all members of the Board" shall not include any "interested director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. 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 the unanimous vote of the Directors. Any certificate or other document filed under any provision of 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 of this corporation authorize the Directors to so act, and such statement shall be prima facie evidence of such authority. Written consent includes electronic communication (i.e., email).

## **SECTION 19. NON LIABILITY OF DIRECTORS**

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

## **SECTION 20. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS**

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, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

## **SECTION 21. INSURANCE FOR CORPORATE AGENTS**

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee or other agent of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

## **SECTION 22. RESTRICTION REGARDING INTERESTED DIRECTORS**

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For purposes of this Section, "interested persons" means either:

(a) Any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or

(b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

## **Article 5 OFFICERS**

### **SECTION 1. OFFICERS AND DUTIES**

The officers of the corporation shall be the Chairperson of the Board, the Vice Chairperson of the Board, the Secretary General, and the Secretary/Treasurer. These officers (with the exception of the Secretary General) shall be elected by the Board of Directors. Other officers may be elected as prescribed in the resolution of the Board of Directors establishing the office. The term of office shall be three years.

The **Chairperson of the Board** shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. The Chairperson of the Board of Directors shall see that all orders and resolutions of the Board of Directors are carried into effect. Unless another person is specifically appointed as Chairperson of the Board of Directors, he or she shall preside at all meetings of the Board of Directors and Executive Committee. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

In the absence of the Chairperson, or in the event of his or her inability or refusal to act, the **Vice Chairperson** shall perform all the duties of the Chairperson, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chairperson. The Vice Chairperson shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.

The **Secretary General** is the Chief Executive Officer and general manager of the Corporation. The Secretary General shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and affairs of the Corporation and of its employees and agents, including the right to employ, discharge and prescribe the duties and compensation of all employees and agents of the Corporation, except where such matters are prescribed in the Bylaws or by the Board of Directors. The Secretary General is authorized to sign all contracts, notes, conveyances, and other papers, documents and instruments in writing in the name of the Corporation. The Secretary General will sit on the Board of Directors as an ex-officio member.

The **Secretary/Treasurer** shall keep or cause to be kept the Minute Book of the Corporation as prescribed by these Bylaws. The Secretary/Treasurer shall sign in the name of the Corporation, either alone or with one or more other officers, all documents authorized or required to be signed by the Secretary/Treasurer. The Secretary/Treasurer is the chief financial officer of the Corporation

and, where appropriate, may be designated by the alternate title “Chief Financial Officer”. The Secretary/Treasurer is responsible for the receipt, maintenance, disbursement, and safekeeping of all funds of the Corporation. The Secretary/Treasurer shall keep or cause to be kept books and records of account and records of all properties of the Corporation. The Secretary/Treasurer shall prepare or cause to be prepared annually, or more often if so directed by the Board of Directors or Secretary General, financial statements of the Corporation.

## **SECTION 2. APPOINTMENT AND REMOVAL OF OFFICERS**

The officers provided for in Article 5, Section 1 of these Bylaws shall be elected by the Board of Directors. Other officers shall be elected as prescribed in the resolution of the Board of Directors establishing the office.

Any officer elected by the Board of Directors may be removed from office at any time by the Board of Directors, with or without cause or prior notice. Any officer not elected by the Board of Directors may be removed from office at any time by the officer by whom appointed or by the Board of Directors, with or without cause or prior notice.

When authorized by the Board of Directors, any appointed officer may be appointed for a specific term under a contract of employment. Notwithstanding that such officer is appointed for a specified term or under a contract of employment, any such officer may be removed from office at any time pursuant to Article 4, Section 8, and shall have no claim against the Corporation on account of such removal other than for such monetary compensation as the officer may be entitled to under the terms of the contract of employment.

Any officer may resign at any time upon written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Such resignation is effective upon receipt of the written notice by the Corporation unless the notice prescribe a later effective date or unless the notice prescribes a condition to the effectiveness of the resignation.

## **SECTION 3. COMPENSATION**

Directors shall serve without salary or other compensation, but the Board of Directors may authorize reimbursement for any expense incurred by a Director or Ex-Officio Member of the Board in the performance of his/her duties. Nothing herein contained shall be construed to preclude any director from serving the NAAIB in any other capacity as an officer, agent or otherwise from receiving compensation therefor.

The compensation of the Secretary General shall be fixed from time to time by resolution of the Board of Directors. The Secretary General’s compensation shall be reasonable and given in return for services actually rendered for the corporation which relate to the performance of the

charitable or public purposes of this corporation.

## **ARTICLE 6 SECRETARY GENERAL AND STAFF**

### **SECTION 1. SECRETARY GENERAL/ADMINISTRATIVE SUPPORT STAFF**

The Secretary General is an employee or contractor hired by the Board of Directors. The Secretary General serves as the Chief Executive Officer and is responsible for ensuring that the administrative and research needs of the NAAIB Board of Directors and all member Councils or Committees are met.

Administrative support staff may be hired or contracted as needed to support the Secretary General in the execution of these tasks, consistent with the Board approved NAAIB budget. The Secretary General is responsible for managing the support staff/contractor providing administrative services to the NAAIB. If the Secretary General is an employee of the NAAIB, he or she will have authority to hire support staff or contractors to provide administrative support. If the Secretary General is an independent contractor, the Board of Directors will be responsible for hiring and firing any supporting staff/contractors in consultation with the Secretary General.

## **ARTICLE 7 WORKGROUPS**

### **SECTION 1. WORKGROUPS OF THE BOARD OF DIRECTORS**

The Board of Directors, by a majority vote of its members, shall annually appoint the members of an Executive (Committee) Workgroup, consisting of the Chairperson, Vice Chairperson, Secretary/Treasurer, and such other Directors as it deems appropriate. The Board may appoint one or more Directors as it deems appropriate. The Board may appoint one or more Directors as alternate members of any such Workgroup(s), who may replace any absent member at any meeting of the Workgroup(s). The Workgroup(s) shall have the power and authority to act for the Board on such matters as the Board may delegate, except as prohibited by law or by these bylaws. By majority vote of its members, the Board may at any time revoke any or all of the authority so granted. A majority of the members of each such Workgroup(s) shall constitute a quorum for the transaction of business by that Workgroup. Any such Workgroup(s) must be created and the members thereof appointed by resolution adopted by a majority of the authorized number of Directors then in office, provided a quorum is present. The Board may appoint, in the same manner, alternate members of any Workgroup(s) who may replace any absent member at any meeting of the Workgroup(s). The Board shall have the power to prescribe the manner in which proceedings of any such Workgroup(s) shall be conducted. Unless the Board or such Workgroup(s) shall otherwise

provide, the regular and special meetings and other actions of any such Workgroup(s) shall be governed by the provisions of this Article 6 applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of such Workgroup(s).

## **SECTION 2. OTHER WORKGROUPS**

The corporation shall have such other workgroups as may from time to time be designated by resolution of the Board of Directors. Such other workgroups may consist of persons who are not also members of the Board. These additional workgroups shall act in an advisory capacity only to the Board and shall be clearly titled as "advisory" workgroups.

# **ARTICLE 8 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

## **SECTION 1. EXECUTION OF INSTRUMENTS**

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation 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 2. CHECKS AND NOTES**

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by such agent (s) or officer (s) of the Corporation in such manner as shall from time to time be determined by a resolution of the Board of Directors.

## **SECTION 3. DEPOSITS**

All funds of the 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 of Directors may select.

## **SECTION 4. GIFTS**

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

## **ARTICLE 9 CORPORATE RECORDS, REPORTS AND SEAL**

### **SECTION 1. MAINTENANCE OF CORPORATE RECORDS**

The corporation shall keep at its principal office in the State of California:

(a) Minutes of all meetings of Directors, committees of the Board indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;

(b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;

(c) A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the Board, of the corporation at all reasonable times during office hours.

### **SECTION 2. CORPORATE SEAL**

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

### **SECTION 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 4. RIGHT TO COPY AND MAKE EXTRACTS**

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

## **ARTICLE 10**

## **FISCAL YEAR**

### **SECTION 1. FISCAL YEAR OF THE CORPORATION**

The fiscal year of the corporation shall begin on the first day of January and end on the last day in December each year.

## **ARTICLE 11 AMENDMENT OF BYLAWS**

### **SECTION 1. AMENDMENT**

Subject to any provision of law applicable to the amendment of Bylaws of public benefit nonprofit corporations, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted as follows: by an affirmative vote of two-thirds of the Directors eligible to vote.

## **ARTICLE 12 AMENDMENT OF ARTICLES**

The North American Association of Issuing Bodies (NAAIB) shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation or the names and addresses of the first Directors of this corporation nor the name and address of its initial agent, except to correct an error in such statement or to delete either statement after the corporation has filed a "Statement by a Domestic Non-Profit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

## **ARTICLE 13 PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

### **SECTION 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS**

No member, 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 prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting

any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. All Directors, Members, and Affiliate Members of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.

## **ARTICLE 14 MEMBERS**

### **SECTION 1. DETERMINATION OF MEMBERS**

Pursuant to Section 5310 (b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under law or the provisions of the Articles of Incorporation or Bylaws of this corporation, require approval by a majority of all members or approval by the members, shall only require the approval of the Board of Directors.

**WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS**

We, the undersigned, are all of the persons named as the initial Directors in the Articles of Incorporation of the North American Association of Issuing Bodies (NAAIB), a California nonprofit corporation, and, pursuant to the authority granted to the Directors by these Bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing Bylaws, consisting of twenty (20) pages, as the Bylaws of this corporation.

Dated: \_\_\_\_\_, 2007

\_\_\_\_\_  
Jan Hamrin, Director

\_\_\_\_\_  
Meredith Wingate, Director

\_\_\_\_\_  
?, Director

**CERTIFICATE**

This is to certify that the foregoing is a true and correct copy of the Bylaws of the corporation named in the title thereto and that such Bylaws were duly adopted by the Board of Directors of said corporation on the date set forth below.

Dated: \_\_\_\_\_, 2007

\_\_\_\_\_, Secretary