

**BYLAWS**

**OF**

**FREE STANDARDS GROUP**

A Nonprofit Mutual Benefit Corporation

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ARTICLE I

Offices

Section 1.1 Principal Office. The principal office for the transaction of the business of this Corporation is fixed and located at 3940 Freedom Circle, Santa Clara, Santa Clara County, California. The Board of Directors is hereby granted full power and authority to change the said principal office from one location to another.

Section 1.2 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 2.1 Purposes. The purpose of the Corporation is to accelerate the use and acceptance of open source technologies for the public good through the application, development and promotion of specifications and community-based standards. In order to promote the purpose of the Corporation, the Board of Directors will create policies by which the Corporation adopts and endorses technical open source specifications and institutes, testing programs, certification programs, software development programs, documentation efforts, educational programs, legal review programs, or promotional efforts.

Section 2.2 Nonprofit Status. The Corporation shall be a nonprofit corporation and is not empowered to engage directly or indirectly in any activity, including distribution of its assets upon dissolution, that would invalidate its status as an organization exempt from federal income taxation under section 501(a) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code"), by virtue of being an organization described in section 501(c)(6) of the Code. The officers of the Corporation shall have broad discretion to curtail activities of members which conflict with the tax exempt purpose of the Corporation; and the Board of Directors may impose sanctions upon members when necessary to protect the integrity of the Corporation's tax status.

Section 2.3 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. 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 that embody any specifications adopted by the Corporation.

## ARTICLE III

### Membership

Section 3.1 Classes of Membership. There shall be three classes of membership in the Corporation: (i) Corporate Members, (ii) Nonprofit Members, and (iii) Individual Members. The term "member" may be used to refer generically to a Corporate Member, Nonprofit Member, or Individual Member.

Section 3.2 Membership Qualifications. The following shall be the requirements for membership in each given membership class:

(a) Corporate Members. The Corporate Members of the Corporation shall be business entities engaged in the production, manufacturing, support, development, or sale of open source software. The Board of Directors, in its sole discretion, may create categories of Corporate Members with special rights, privileges, or duties; however, no such categories shall have any rights, privileges, or duties inconsistent with these Bylaws.

(b) Nonprofit Members. The Nonprofit Members shall be nonprofit entities engaged in supporting the development or promotion of open source technologies and nonprofit educational institutions which have an interest in the purposes and activities of the Corporation.

(c) Individual Members. The Individual Members shall be individuals engaged in the production, manufacturing, use, support, development, or sale of open source software.

Upon admission to membership pursuant to Section 3.4 and the payment of such membership fee as is set from time to time by the Board, such person or entity shall be admitted to membership for such term as shall have been specified by the Board for such classification of membership.

Section 3.3 Associates. The Board of Directors may establish one or more classes of individuals or entities associated with the Corporation. Such individuals or entities shall be referred to as "Associates", or "Associate Members". The privileges, rights and duties of any class or classes of Associates shall be as provided by the Board of Directors, subject to the terms of the Bylaws. Notwithstanding the foregoing, no class or classes of Associates shall have the right to vote for the election of Directors, on a disposition of all or substantially all of the assets of this Corporation, on a merger, on a dissolution or on changes to the Corporation's Articles of Incorporation or Bylaws. Further, the Associates shall not be members within the meaning of Section 5056 of the Nonprofit Corporation Law of the State of California.

Section 3.4 Admission. Decisions to admit members shall be made by an officer of the Corporation, designated by the Board, pursuant to the membership eligibility criteria established in these Bylaws. In the event that an applicant is not accepted for membership by the officer,

such applicant shall have the right to appeal such decision to the Board of Directors, which shall have the discretion to make final membership admission decisions.

Section 3.5 Fees, Dues and Assessments. The Membership Dues Schedule, attached hereto as Exhibit A, may only be modified by a two thirds majority vote of the Board of Directors. The Board may also levy additional assessments on the members, in such amounts as it deems appropriate, upon a two thirds majority vote.

Section 3.6 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 in writing filed with the Secretary of the Corporation. Resignation shall not release the resigning member from the payment of any membership fees, dues or assessments which are due and owing prior to the resignation. Further, no pro rata refund of any membership fee, dues or assessments shall be made for the balance of the period in which the resignation is effective.

(b) Expiration. 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 or Suspension. Membership of a member shall terminate upon the determination of the Board of Directors after hearing duly held in accordance with this Section 3.5(d), or a committee with no fewer than two (2) Directors designated by the Board to make such determination, 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. Following the determination by the Board, or the committee, as the case may be, that a member should be expelled or suspended, 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 or suspension and the reasons therefor. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the expulsion or suspension.

ii. The member being expelled or suspended 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 or expulsion. The hearing shall be held by the Board of Directors or the committee designated by the Board for such purpose. The notice to the member of the proposed expulsion or suspension 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 therefor, and shall state, that in the absence of such request, the effective date of the proposed suspension or expulsion.

iii. Following the hearing, the Board, or committee, as the case may be, shall decide whether the member should in fact be expelled, suspended, or sanctioned in some other way. The decision of the Board, or committee, as the case may be, shall be final.

iv. Any action challenging an expulsion or suspension of membership, including any claim alleging defective notice, must be commenced within one (1) year after the date of the expulsion or suspension.

Section 3.7 Reinstatement. Suspended or expelled members may be reinstated at the discretion of the Board of Directors.

Section 3.8 Property Rights. No member shall have any right or interest in any of the property or assets of this Corporation unless such member contributes tangible or intellectual property to the Corporation and retains an interest therein pursuant to a written agreement between the member and the Corporation.

Section 3.9 Nonliability. No member shall be liable for the debts, liabilities, or obligations of this Corporation.

Section 3.10 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 death, resignation, expulsion or dissolution.

Notwithstanding the foregoing, in the event of a merger or acquisition of a member or members, the following rules shall apply:

(a) Acquisition. In the event that a nonmember acquires a member, such that the nonmember is no longer a surviving entity, the nonmember (assuming it meets the criteria for membership) shall be deemed to be a member of the Corporation as if it were the acquired entity.

(b) Merger. In the event that two members merge, one of the two memberships held by the merged entity shall be deemed to have automatically expired. The surviving entity will however be liable for any unpaid dues for both memberships.

(c) Waiver. The Board of Directors may also grant a waiver of this Section 3.10 under other circumstances in its reasonable discretion.

Section 3.11 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 in accordance with Section 8713 of the California Nonprofit Corporation Law, any remaining net assets of this Corporation shall be distributed by the Board of Directors to one or both of (i) the members of this Corporation, or (ii) one or more organizations selected by the Board of Directors which will help to further the purposes of this Corporation.

## ARTICLE IV

### Membership Meetings

Section 4.1 Place of Meetings. All meetings of members shall be held either at the principal office of the Corporation or at any other place within or without the State of California, 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 of each membership class entitled to vote thereat, given either before or after the meeting and filed with the Secretary of the Corporation.

Section 4.2 Annual Meetings. The annual meetings of members of the Corporation shall be held in each year on such date and at such time and place or at such other date, time and place as determined by resolution of the Board of Directors. Unless elected by written ballot pursuant to Section 4.8, Directors shall be elected at the annual meeting of the members for which such class of Director is elected. The Board of Directors shall establish resolutions governing the election and nomination process.

Section 4.3 Special Meetings. Special meetings of each membership class, for any lawful purpose or purposes whatsoever, may be called at any time by the President, the Board of Directors, or by one or more members holding twenty percent (20%) or more of the voting power of such membership class of the Corporation. Upon such request in writing by any person or persons other than the Board entitled to call a special meeting of each membership class, stating the business to be transacted at the special meeting, mailed to the principal office of the Corporation, or delivered to the President, the Vice-President or Secretary, 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 thereat of 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. Along with the written request submitted by the person entitled to call such a special meeting, such person must include a proposed agenda for such meeting. Special meetings shall be presided over by the Chairperson of the Board of Directors or his or her designee.

Section 4.4 Notice of 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 or her 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, telegraph, facsimile or electronic 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 postal 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 4.5 Adjourned Meetings. Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned 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 adjourned 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 adjourned meeting or of the business to be transacted thereat, other than by an announcement at the meeting at which such adjournment is taken. If after the adjournment a new record date is fixed for notice or voting, a notice of the adjourned 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 4.6 Quorum. Unless otherwise provided herein, the presence in person or by proxy of at least one-third (1/3) of the members of the membership class 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 adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

Section 4.7 Voting. The following rules shall apply to voting by members:

(a) Matters Submitted to Vote. Members shall vote on the following matters: election of Directors (see Section 5.3), removal of Directors (see Section 5.19), amendment of the Articles of Incorporation or the Bylaws of the Corporation (see Section 9.2), dissolution of the Corporation (see Section 9.3), and on any other matter required to be submitted to a vote of the members or a membership class by the Nonprofit Mutual Benefit Corporation Law of the State of California.

(b) Procedures of Voting. Each member in good standing is entitled to one vote on each matter submitted to a vote of the members of such membership class. Single memberships in which two (2) or more persons have an indivisible interest shall be treated as provided in Section 7612 of the Nonprofit Mutual Benefit Corporation Law of the State of California. Voting shall be by voice vote, unless the chair of the meeting at which such vote takes place directs such voting to be by ballot. No single vote shall be split into fractional votes. Cumulative voting for the election of Directors or otherwise shall not be authorized.

Section 4.8 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 the action 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 in accordance with Section 4.4 hereof, and, in any election of Directors by written ballot, the ballot shall name the candidates for Directors, and shall provide a space entitled "withhold" in which a member may indicate that the

authority to vote for the election of Directors is withheld. All ballots distributed in accordance with this Section 4.8 shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of Directors, shall state the percentage of approvals necessary to pass the measure submitted. All written ballots distributed in accordance with this Section 4.8 shall specify the time by which the ballot must be received in order to be counted.

Section 4.9 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 or her 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 4.10 Conduct of Meetings. Meetings of members shall be presided over by the President of the Corporation, or in his or her absence, by the Vice-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 or her absence the presiding officer shall appoint another member to act as Acting Secretary of the meeting.

## ARTICLE V

### Board of Directors

Section 5.1 Powers. Subject to the limitations of the Articles of Incorporation, of the Bylaws, and of the California 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 therefor, 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 5.2 Number of Directors. The authorized number of Directors shall be nine (9).

Section 5.3 Composition of Board of Directors; Terms. The Directors serving on the Board of Directors shall be selected in the following manner:

(a) Corporate Member Directors. The Corporate Members, voting as a class, shall elect three (3) Directors. The Directors elected by the Corporate Members shall be elected at a meeting of the Corporate Members or by written ballot or in some other manner authorized by the Nonprofit Corporation Law. Each Director elected by the Corporate Members must be employed by a Corporate Member in order to be eligible to serve as a Director. All Directors elected pursuant to this Section 5.3(a) shall be referred to as “Corporate Member Directors”.



(b) Nonprofit Member Directors. The Nonprofit Members, voting as a class, shall elect two (2) Directors. The Directors elected by the Nonprofit Members shall be elected at a meeting of the Nonprofit Members or by written ballot or in some other manner authorized by the Nonprofit Corporation Law. Each Director elected by the Nonprofit Members must be employed by a Nonprofit Member in order to be eligible to serve as a Director. All Directors elected pursuant to this Section 5.3(b) shall be referred to as “Nonprofit Member Directors”.

(c) Individual Member Directors. The Individual Members, voting as a class, shall elect four (4) Directors. The Directors elected by the Individual Members shall be elected at a meeting of the Individual Members or by written ballot or in some other manner authorized by the Nonprofit Corporation Law. Each Director elected by the Individual Members must be an Individual Member in his or her individual capacity in order to be eligible to serve as a Director. All Directors elected pursuant to this Section 5.3(c) shall be referred to as “Individual Member Directors”.

(d) Observers. In the event that a Director is unable to attend a meeting of the Board of Directors, the Director shall be entitled to have an observer attend that meeting, provided that the Director has obtained the prior approval of a majority of the Directors then in office. An observer attending at the request of the Director shall have no right to participate in the meeting.

(e) Terms and Election Dates. All Directors shall hold office until their respective successors are elected. The term of office for Directors shall be for two years; such term of office shall run from January 1 to December 31 of the next year. As nearly as possible, half of all Director seats on the Board of Directors shall stand for election each calendar year. Elections of Directors shall be held on December 1 of each year; and in the event that the Board authorizes electronic voting, shall continue for a sufficient time period to allow such electronic voting. There shall be no prohibition on reelection of a Director following the completion of that Director’s term of office. Procedures governing elections of Directors shall be established pursuant to resolutions of the Board of Directors.

(f) Restrictions on Eligibility to Serve as a Director: Control Groups.

(i) Definition of Control Group. A “Control Group” shall be defined as all corporations or other entities which are Controlled by any entity (whether or not such entity is a member of the Corporation), which Control any entity (whether or not such entity is a member of the Corporation), or which are under common control with any entity (whether or not such entity is a member of the Corporation). “Control” shall mean the ownership of more than 50% of the total securities representing the voting power of another entity; or in the absence of voting securities, 50% or more of the voting rights of the entity.

(ii) Prohibitions on Multiple Directors of the Same Membership Class. No more than two (2) individuals employed by, or performing monetarily compensated services for, a Control Group shall be permitted to serve as Directors of the Corporation at the same time. In addition, no more than one (1) individual employed by, or performing monetarily compensated services for a Control Group may serve as a Director within the same membership class at any given time. As an example of the operation of this rule, assume that two individuals

were both employed by Corporate Members in the same Control Group. Both individuals would not be eligible to serve as Corporate Member Directors at the same time. However, one such individual would be able to serve as a Corporate Member Director while the other individual would be eligible to serve as an Individual Member Director (assuming such individual was an Individual Member) or as a Nonprofit Member Director (assuming such individual was also employed by a Nonprofit Member).

(g) Mid-Term Changes in Director Status. The following rules apply to changes to the status of a Director during any Director's term:

(i) Mergers and Consolidations of Control Groups. In the event that there is a merger or consolidation of Control Groups, such that one or more Directors would be disqualified from standing for election pursuant to this Section 5.3, such Directors shall be permitted to serve out their terms.

(ii) Corporate and Nonprofit Member Director's Change of Control Group. In the event that a Director elected by the Corporate or Nonprofit Members becomes a member of a different Control Group, that Director will automatically be removed from the Board of Directors. The Corporate or Nonprofit Member which employed such departing Director shall have thirty (30) days to name another individual to serve out the remainder of the departing Director's term of office. If the Corporate or Nonprofit Member fails to do so in this time period, the Board of Directors shall fill the vacancy pursuant to Section 5.4.

(iii) Individual Member Director's Change of Control Group. In the event that an Individual Member Director becomes a member of a Control Group such that there is a violation of Section 5.3(f)(ii), such Director shall be permitted to serve out his or her term provided that no Control Group has a majority of the total number of seats on the Board of Directors. In the event that any such Director becomes a member of a Control Group in violation of this Section 5.3(g)(iii), such Director will automatically be removed from the Board of Directors and the Board of Directors shall fill the vacancy pursuant to Section 5.4.

(h) Restrictions on Eligibility to Serve as a Director; Moral Standards. No individual who has been convicted of a felony shall be eligible to serve as a Director of the Corporation.

(i) Policies and Procedures. The Board of Directors, or a committee thereof, may establish policies and procedures pursuant to which the rules of this Section 5.3 may be implemented and enforced.

Section 5.4 Vacancies. Vacancies in the Board of Directors may be filled by a majority of the remaining Directors then in office, though less than a quorum. Each Director elected shall hold office until his or her successor is elected. A vacancy or vacancies shall be deemed to exist (i) in the case of the death of any Director, or (ii) if the authorized number of Directors is increased without election of the additional Directors so provided for, or (iii) in case of failure at any time to elect the full number of authorized Directors, or (iv) upon the occurrence of any of the events specified in Section 5.19. If any vacancy exists on the Board of Directors, then the Board shall have the power to elect a successor to take office at such time. No reduction

in the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office, rather such reduction shall become effective when there are vacancies on the Board of Directors equal to the reduced number of Directors, or upon the running of the term of the Directors.

Section 5.5 Place of Meeting. All meetings of the Board of Directors may be held at any place within or without the State of California, which has been designated from time to time by resolution of the Board or by the written notice of the President.

Section 5.6 Organization Meetings. Immediately following the annual or special meeting where Directors have been elected, the Directors shall hold a regular meeting for the purpose of organizing the Board, electing officers, and transacting such business as may come before the meeting. Pending such organization meeting, all officers and Directors of this Corporation shall hold over, except any Director who ceases to qualify as a Director. A Director elected at such meeting of members, if any, shall forthwith become a member of the Board of Directors for purposes of such organization, in lieu of the predecessor member, even though the meeting is held prior to the commencement of the regular calendar year term for a new Director. Unless otherwise decided by the Board of Directors, the annual organization meeting shall be held in the month of December of each year.

Section 5.7 Other Regular Meetings. Other regular meetings of the Board of Directors shall be held approximately quarterly, as may be specified and noticed by the Board of Directors or by the President of this Corporation.

Section 5.8 Special Meetings. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President, the Secretary or by any two (2) of the Directors.

Section 5.9 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 not less than four (4) days before the date of the meeting. Such notice may be given personally or by telephone, telegraph, facsimile, electronic mail, or first-class mail.

Section 5.10 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 5.11 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors under any provision of the California 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 California 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” as defined in Section 5.18.

Section 5.12 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 5.13 Quorum. The following shall be the quorum and approval requirements for meetings of the Board of Directors:

(a) Meetings For Which No Less Than 4 Weeks Notice Is Given. Unless otherwise provided herein, a majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business at any meeting for which notice of no less than four weeks has been given, except to adjourn as hereinafter provided in Section 5.14.

(b) Meetings For Which Less Than 4 Weeks Notice Is Given. Unless otherwise provided herein, a two-thirds (2/3) majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business at any meeting for which notice of less than four weeks has been given, except to adjourn as hereinafter provided in Section 5.14.

(c) Approval of Actions by the Board. 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 5.14 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 5.15 Fees and Compensation. Directors and members of committees may receive such compensation, if any, for their services and such reimbursement for expenses as may be fixed or determined by resolution of the Board of Directors; provided that such compensation shall be reasonable and shall be comparable to that compensation paid by unaffiliated entities for a like position. Nothing herein shall be considered to preclude any Director from serving this Corporation in any other capacity, including as an officer, agent, employee, consultant or otherwise, and receiving reasonable compensation therefor.

Section 5.16 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 Section 7237 of the California 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 5.17 Standard of Conduct. Pursuant to Section 7231 of the California 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 therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 5.18 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 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 Section 7233 of the California 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 majority of the members in each membership class in good faith without including the vote of 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 (without counting the vote of 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 5.18.

#### Section 5.19 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 for Cause. The Board of Directors may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a crime, or, in case the Corporation is holding assets in charitable trust, been found by a final order or judgment to have breached any duty arising as a result of Section 7238 of the Nonprofit Corporation Law. In addition, the Board of Directors may declare vacant the office of a Director who has failed to attend three (3) consecutive regularly scheduled Board meetings.

(c) Removal without Cause. All Directors may be removed at any time without cause by a majority vote of the membership class which elected such Director. In the case of the removal of Directors elected pursuant to Section 5.3(c), the Board shall establish resolutions governing the removal process.

Section 5.20 Chairperson of the Board. The Board of Directors may elect a Director to serve as Chairperson of the Board. The Chairperson of the Board, if the Board chooses to elect one, shall set meeting agendas and perform other functions designated by the Board. All other policies and procedures relating to the Chairperson of the Board shall be set by the Board of Directors pursuant to resolutions.

## ARTICLE VI

### Officers

Section 6.1 Officers. The principal officers of this Corporation shall be a President, a Chief Financial Officer, and Secretary and such other officers as the Board of Directors may appoint. One person may hold two or more offices.

Section 6.2 Nomination and Election. The officers of this Corporation, except such officers as may be appointed in accordance with the provisions of Section 6.3 or Section 6.4, shall be elected annually by the Board of Directors in accordance with this Article 6, and each officer shall hold his or her office until he or she shall resign or shall be removed or his or her

successor shall be elected and qualified. Elections of officers shall be held within the period seven (7) days prior to or following January 15 of each year. Each officer's term of office shall be for one year, and shall run from February 1 to January 31. There shall be no prohibition on reelection of an officer following the completion of that officer's term of office. Each candidate for an officer position must be nominated by one or more Directors of the Corporation in order to be eligible to stand for election. A candidate for an officer position must receive the vote of the majority of the Directors on the Board in order to be elected; runoff elections may be held as necessary. All other procedures governing nomination and election of officers shall be established by resolutions of the Board of Directors.

### Section 6.3 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 thereof, or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors (subject, in each case, 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 6.4 Vacancies. A vacancy in any office 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 office.

Section 6.5 President. The President shall serve as the highest ranking 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 shall 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 6.6 Vice President. The Board of Directors shall create policies governing the responsibilities of the office of Vice President, if it determines that it is advisable for the Corporation to have such an officer or officers.

Section 6.7 Chief Financial Officer. 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. The Chief Financial Officer may also be referred to as the "Treasurer" of the Corporation.

Section 6.8 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 required by Section 8.6 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.

## ARTICLE VII

### Committees

Section 7.1 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 other committee having the authority of the Board shall be by resolution adopted by a majority of Directors then in office. Any committee having authority of the Board shall consist of two (2) or more Directors, and shall not include as voting members any person who is not a Director. The Board of Directors shall retain the right to limit the powers and duties of any committee which it has created and to disband any such committees in its sole discretion. The Committees shall have the authority to pass resolutions and adopt policies and procedures relating to the subject matter for which such Committees were constituted; however in the event of any conflict between a resolution adopted by a Committee and a resolution adopted by the Board of Directors, the resolution adopted by the Board of Directors shall govern.

Section 7.2 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 California Nonprofit Corporation Law also requires the approval of members of a corporation.
- (b) The filling of vacancies on the Board or in any committee which 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.
- (h) The dissolution of the Corporation.



Section 7.3 Administrative Committee. The Board of Directors may, at its discretion, appoint an Administrative Committee to assist in the management of the business and affairs of this Corporation. Such Administrative Committee shall have all the powers of the Board of Directors except those listed in Section 7.2(a)-(h).

## ARTICLE VIII

### Miscellaneous

Section 8.1 Fiscal Year. The fiscal year of this Corporation shall end on the last day of December of each year.

Section 8.2 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 such Director. Such inspection may be made by the Director in person or by an agent or attorney of the Director, and shall include the right to make photocopies and extracts at the requesting Director's expense. Nothing in this Section 8.2 shall be construed to allow access to the books of account and minutes of the proceedings of the Board of Directors and any committees thereof to persons other than Directors of the Corporation.

Section 8.3 Representation of Shares of Other Corporations. The Board of Directors 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 Board of Directors, pursuant to resolutions, may delegate this authority to one or more officers of the Corporation. Any such authority delegated 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, unless the resolutions adopted by the Board of Directors provide otherwise.

Section 8.4 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 8.5 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 Section 7214 of the California 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 8.6 Annual Statement of Certain Transactions and Indemnifications. Pursuant to Section 8322 of the California 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 8.7 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 Section 7235 of the California Nonprofit Corporation Law.

Section 8.8 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 8.9 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 Internal Revenue Code of 1986, as amended.

Section 8.10 Form of Communications. Electronically transmitted communications (electronic mail) shall be considered acceptable substitutes for all other forms of communication, including postal mail.

(a) Written Ballots. Ballots submitted in facsimile or electronic form shall be considered acceptable substitutes for printed ballots for all purposes.

(b) Waiver of Postal Mail. Members may waive the right to receive any notices or other communications via postal mail and instead receive such notices or communications via electronic mail.

Section 8.11 Elections. The Board of Directors may establish resolutions regarding the conduct of elections and the nomination process, in accordance with applicable law. The Board may also delegate these duties to a committee.

## ARTICLE IX

### Effective Date, Amendments and Dissolution

Section 9.1 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 provide that they are to become effective at a later date.

Section 9.2 Articles and Bylaw Amendments. The Articles of Incorporation and the Bylaws of this Corporation may be amended or repealed and new Bylaws adopted by the vote of a two thirds majority of the Board and the majority of each membership class of the Corporation.

Section 9.3 Dissolution. The Corporation may be dissolved upon the vote of a two thirds majority of the Board and the majority of each membership class of the Corporation.

**EXHIBIT A**

**MEMBERSHIP DUES SCHEDULE**

**CERTIFICATE OF SOLE INCORPORATOR**

I, the undersigned, do hereby certify:

1. That I am the sole incorporator of Free Standards Group.
2. That the foregoing Bylaws constitute the Bylaws of the said Corporation adopted by me.

DATED: \_\_\_\_\_, 2001

\_\_\_\_\_  
Jeffrey Burke, Esq., Sole Incorporator

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