

BYLAWS OF THE CITY PROTOCOL SOCIETY

(Revised: June 16, 2014)



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BYLAWS OF THE CITY PROTOCOL SOCIETY

PART ONE - DEFINITIONS

Wherever used in these Bylaws, the following capitalized terms and expressions shall have the meanings set out below, regardless of whether they are used in the singular or the plural.

"Academic and/or Research Institution Member" shall mean a member of CPS that qualifies as such in accordance with the provisions of [Article 2](#) of these Bylaws. When identified as such in the Membership Agreement, the Member may participate in the Society directly and/or through its Affiliates.

"Affiliate" or **"Affiliates"** shall mean any entity, whether incorporated or not, that is controlled by, under common control with, or controls a party, where "control" means the ability, whether directly or indirectly, to direct the affairs of another by means of majority ownership, contract, or otherwise.

"Board" shall mean the Board of Directors of the Society.

"City or Regional Body related to City Government Member" or **"City Member"** shall mean a member of CPS that qualifies as such in accordance with the provisions of [Article 2](#) of these Bylaws. When identified as such in the Membership Agreement, the Member may participate in the Society directly and/or through its Affiliates.

"City Protocol Agreements (CPAs)" shall mean Board-approved informational documents and/or proposed and recommended technical or methodological practices, approaches and guidelines that could be accredited as standards (including additions and/or modifications to existing CPAs) to guide and accelerate the responsible transformation of cities for the benefit of all urban communities worldwide. CPA type definitions and processes for publication are described in a document approved by and, from time to time, revised by the Board of Directors.

"City Protocol Task Force (CPTF)" shall mean the open community of individuals, organized in Task-And-Finish-Teams (TAFT), who volunteer to carry out together research and development, education, collaboration, and other activities necessary to develop City Protocol Agreements.

"Code" shall mean the U.S. Internal Revenue Code of 1986, as amended from time to time.

"Commercial Member" shall mean a member of CPS that qualifies as such in accordance with the provisions of [Article 2](#) of these Bylaws (e.g., corporations, industry or any for-profit organization). When identified as such in the Membership Agreement, the Member may participate in the Society directly and/or through its Affiliates.

"CPS" or the **"Society"** shall mean the City Protocol Society.

"Director" shall mean a member of the Board.

"IPR Policy" shall mean the intellectual property rights policy that forms part of the Membership Agreement.

"Members" shall mean City or Regional Body related to City Government Members, Commercial Members, Academic and/or Research Institution Members, and Non-profit Organization Members and their identified Affiliates.

"Non-profit Organization Member" shall mean a member of CPS that qualifies as such in accordance with the provisions of [Article 2](#) of these Bylaws. When identified as such in the Membership Agreement, the Member may participate in the Society directly and/or through its Affiliates.

"Membership Agreement" shall mean the applicable and duly entered into agreement approved by the Board, pursuant to which Members adhere to CPS.

"Representative" shall mean any employee, officer and/or director of a Member duly authorized to act in the name and on behalf of that Member.

"Secretariat" shall mean the working corporate and administrative office or offices of CPS which shall be at the site or sites designated by the Board. The Board may engage third-parties in any location to perform duties of the Secretariat under these Bylaws to accomplish the objectives of CPS.

"Working Team" shall mean a collection of Member representatives and other parties collaborating to produce, revise, or extend a CPA document according to the procedures adopted by the Board which may be revised from time to time. The standard Working Team shall be named Task-And-Finish Team (TAFT) or any name that may be mutually decided by the Board.

PART TWO – REGULATIONS

Article 1. GENERAL PROVISIONS

Section 1. Name, Legal system and Definition

An international association named “City Protocol Society” has been created as a non-profit mutual benefit corporation. English will be its official language.

Hereinafter any reference to “City Protocol Society” will be made under either the name “Society” or the acronym “CPS.” The Society will be governed by its own Bylaws and other internal regulations, if any, and by any provisions in force in the State of California applicable to mutual benefit nonprofit corporations. Likewise, and on the basis of specific requirements, the Society shall be recognized, where appropriate, by the authorities of those countries in which it pursues its activities.

CPS is a non-profit organization formed by a trusted community of cities or any regional body related to a city government, commercial organizations academic or research institutions, and non-profit organizations that leverages knowledge and experience in cities worldwide to accelerate sustainable transformation, by offering curated guidance and collaborative research and development (R&D) opportunities for cities.

Section 2. Code Section 501(c)(6) Purposes

The Society is organized exclusively for one or more of the purposes as specified in Section 501(c)(6) of the Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(6) of the Code.

Section 3. Term

CPS is incorporated perpetually, with the ability to dissolve in the manner and form envisaged in these Bylaws and under the laws of the State of California, and will commence its activities following the fulfillment of the legal requirements.

Section 4. Objectives

The objectives of CPS are as follows:

- a) The development of the “City Protocol,” as a system’s approach to rationalize and document, under a shared and interoperable basis, city transformation and solution protocols that are multi-city, multi-partner and scale-free. To this end, the CPS will create and maintain a task force (CPTF) to support, coordinate and develop R&D activities carried out by working teams, i.e., Task-And-Finish-Teams (TAFTs). The

results of City Protocol R&D activities will be captured in the form of a series of informational, proposed recommendation and recommendation agreements (CPA-I, CPA-PR and CPA-R) to inform, guide and accelerate city-to-city learning and, in turn, facilitate the responsible adaptation and transformation of cities for the benefit of all urban communities worldwide;

- b) the advancement of an economy of urban innovation, to foster the definition of standards, platform integration and the development of technologies aiming at urban solutions that promote resource-use efficiency, self-sufficiency, and social and economic progress in cities; and
- c) any other objectives related to the development and/or management of cities established by the CPS governing bodies.

Section 5. Activities

To fulfill the above objectives, CPS will encourage actions stemming, but not exclusively, from the following activities:

- a) Build and maintain a repository of documents describing projects, policies and recommended practices which may be tested in cities working and learning together to tackle their common transformational challenges, with the support of commercial and non-profit organizations, academic and research institutions, and other relevant stakeholders. To this end, the Society will support the formation of Working Teams formed by cities and members from the rest of constituencies.
- b) Establish the basis for the evaluation and publication of CPAs for city transformations, and the accreditation of methodological guides as standards whenever applicable, to guide the development of the City Protocol and its continuous improvement.
- c) Become an organization that creates and maintains city-related knowledge continuously. To this end, it shall create and maintain, or adopt from other organizations, a network and/or platform for education and knowledge sharing among all members. This networking activity will include the temporary joining of cities involved in similar challenges so that they can share methods, tools, expertise and insights. It will also include protocols and tools to assist cities with documenting results and conclusions of their work by using clear communications and the repository of documents to facilitate learning by others.

All activities undertaken by CPS will be carried out with full respect for current legislation. Any profits that, where appropriate, the Society could obtain from the exercise of economic activities, including the rendering of services, will be allocated exclusively toward the fulfillment of its objectives.

Section 6. Compliance with Applicable Legislation

Each Member acknowledges that it may compete with the other Members in various lines of business and that it is therefore imperative that they and their Representatives act in a manner that does not violate any applicable law, including, without limitation, national or international antitrust laws or regulations.

A Member should abstain from participating in an activity or warn the other Members in the event that such activity would render any Member ineligible to participate in a joint public tender.

Each Member assumes responsibility to obtain appropriate legal advice for any Representative on the Board or Representative involved in a Working Team, regarding the importance of limiting the scope of his or her discussions in any forum of the Society to topics that relate to the purposes of the Society.

Section 7. Offices of CPS

The registered legal office of CPS under the laws of the State of California is located at 2400 Camino Ramon, Suite 375, San Ramon, California 94583. Premises or branch offices of CPS may be opened anywhere within the territorial scope of CPS. Offices of CPS may be changed from time to time upon action of the Board. Changes of office location may also be proposed by resolution of the General Assembly.

Section 8. Area of activity

The area of activity of CPS is international.

Article 2. MEMBERS, RIGHTS AND OBLIGATIONS

Section 1. Members.

CPS shall have four (4) categories of organizational members:

- 1) Cities or Regional Bodies related to City Government.
- 2) Commercial Organizations.
- 3) Academic and/or Research Institutions.
- 4) Non-Profit Organizations.

All members of CPS shall have the rights established by these Bylaws and by the Board of the Society. Notwithstanding the foregoing, the members of CPS shall not be statutory "members" as that term is defined in Section 5056 of the California Corporations Code or any successor statute applicable to California mutual benefit non-

profit corporations.

Section 2. Application for membership and admission of Members

Organizations that seek membership in CPS may apply to the Secretariat, who will present the application to the Board for approval. Admission of a Member shall be based on submission of a duly executed Membership Agreement, approval by the Board, and payment of annual membership fee.

Section 3. Membership Fees and Benefits

The Board will establish an annual membership program which includes a list of member benefits and a fee structure which shall be subject to annual review of changes by the General Assembly. Members must provide payment of fees to the Secretariat prior to exercising membership rights. Unless otherwise established by the Board, fees for renewing membership shall be paid on or before the anniversary of the member's join date. In the event of non-payment, a Member will be sent written reminders prior to being dismissed from the Society in accordance with the policy established by the Board.

Section 4. Reasons for withdrawal

Members may withdraw from membership in CPS for any of the following reasons:

- (a) By voluntary withdrawal, notified in writing to the Secretariat. Fees and other contributions are non-refundable and will not be reimbursed, in part or full, in cases of withdrawal;
- (b) A non-payment of annual membership fees – following written reminders - will be interpreted as voluntary withdrawal;
- (c) upon a Member's dissolution; and
- (d) by determination of the Board in a properly noticed meeting, that the Member has failed in a material respect to observe the rules of conduct promulgated from time to time by the Board. Such rules of conduct will define misconduct as, among other things, public disparagement of CPS and conduct designed to or having the effect of undermining the purposes of CPS. Following the determination by the Board that a Member should be expelled, a notice shall be sent by first-class, registered, or express mail to the most recent address of the Member as shown on the Society's records, setting forth the expulsion or suspension and the reasons therefore. Such notice shall be sent at least fifteen (15) business days before the proposed effective date of the expulsion, and the Member being expelled shall be given an opportunity to be heard, either orally or in writing, at a properly noticed meeting of

the Board to be held no fewer than five (5) business days before the effective date of the proposed expulsion. The meeting shall be held by the Board or a committee designated by the Board for such purpose and only disinterested Directors shall participate in the hearing and ultimate decision. The notice to the Member of its proposed expulsion shall state that a date, time and place of the hearing will be established upon receipt of request therefore and shall state the effective date of the proposed suspension if request for a hearing is not made by the Member. Following the requested hearing, if any, the Board, or the designated committee, as the case may be, shall decide whether the Member should, in fact, be expelled or sanctioned in some other way. The decision of the Board, or designated committee, as the case may be, shall be final. Any action challenging an expulsion, including any claim alleging defective notice, must be commenced with one (1) year after the date of the expulsion

Section 5. Member rights

Members shall have a single vote in matters undertaken by the General Assembly. Should a Member have one or more Affiliates, only one vote may be cast by the combination of the Member and all its Affiliates in matters undertaken by the General Assembly. Member organization representatives may also stand for election to the Board.

Section 6. Inspection rights of Members

All membership records of CPS will be open to inspection on the written demand of any Member at any reasonable time for a purpose reasonably related to its interests as a member.

Section 7. Transferability of Membership

No membership in CPS nor any rights in such membership may be transferred or assigned, for value or otherwise, except pursuant to Board authorized transfer of memberships which may include without limitation transfer on the dissolution, merger, or reorganization of a Member.

Article 3. CONSTITUENT AND GOVERNING BOARDS

Section 1. Constituent and governing boards

The constituent and governing boards of CPS are the following:

- a) The General Assembly.
- b) The Board.

Article 4. THE GENERAL ASSEMBLY

Section 1. General Assembly

The General Assembly is comprised of Representatives from all Members of CPS.

Section 2. General Assembly Meetings

General Assembly (GA) meetings may be of two types: Ordinary and Extraordinary.

The Ordinary GA meetings will take place once a year; Extraordinary GA meetings will be held when the circumstances so advise in the opinion of the Chair of the Board, when the Board so resolves, or when at least one-third (1/3) of the GA Members so requests the Chair.

Section 3. Announcements

The location and date of a GA meeting must be announced in writing whether by email or by post at least sixty (60) days prior to an in-person GA meeting, and at least fifteen (15) days prior to a virtual GA meeting.

Section 4. Quorum for the General Assembly

All GA meetings will be deemed to have a quorum when one fourth (1/4) of Members are represented by their Representative at such meeting.

Meetings of the GA will be chaired by the Chair of the Board unless the Chair designates the President or any other Board member as chair of the meeting.

Section 5. Adoption of resolutions by the General Assembly

Resolutions of the GA will generally be adopted by simple majority of those Members represented when the votes in favor exceed the votes against, for which purpose blank votes and abstentions will not be counted. In the event of a tie, the Chair of the meeting will cast the deciding vote.

The GA or the Board shall request action by an extraordinary majority of the GA in order to express the will of the Members on an extraordinary proposed action by the Society including for example merger of the Society with another organization, amendment or repeal of the Bylaws, or dissolution of the Society. The resolutions adopted by the GA will be binding upon all Members of CPS.

Resolutions adopted by the GA will be recorded in the corresponding book of proceedings and will be signed by the Chair and Secretary. A copy of the adopted resolutions will also be published to all Members of the Society on the Internet.

Section 6. Duties of the General Assembly

The following are the powers of the General Assembly:

- (a) To approve changes to, or additions to, annual fees proposed by the Board;
- (b) to hold elections as outlined in [Article 5 Section 2](#), or others as requested by the Chair of the Board or President;
- (c) to express the will of the Members on amendments to the Bylaws as proposed by the Board, merger of the Society with another organization, or dissolution of the Society;
- (d) to approve internal operating procedures and policies as proposed by the Board; and
- (e) to approve other motions and proposals presented by the Board.

Article 5. BOARD OF DIRECTORS

Section 1. Board of Directors

The legal and fiduciary affairs of CPS shall be directed by the Board. It shall be composed by a minimum of five (5) and a maximum of seventeen (17) Members unless and until such number is changed by amendment of the Bylaws. Each Director elected shall hold office commencing at the start of the Annual GA Meeting (AGM) following their election, or selection, and continuing until the start of the AGM three years later, or until their earlier resignation, removal or death; provided, however, that when filling a vacancy a Director shall serve the remainder of the term being filled or until their earlier resignation, removal or death.

Each Member represented on the Board shall be represented by a main Representative and may also appoint one (1) alternate Representative, whose names shall be provided to the Chair of the Board or the Secretary. An alternate Representative may participate in any Board meeting, but in matters requiring a vote, only one vote per Member represented on the Board may be cast. An alternate Representative shall be accorded full rights as a Director in all circumstances in which the main Representative of such Member represented on the Board is not available.

Section 2. Election of Directors

With the exception of the initial Board, all Directors of the Board shall be elected or otherwise selected in accordance with the procedures adopted by the Board from time

to time. Directors shall be elected for three (3) year terms unless elected to fill a vacancy in accordance with [Article 5 Section 6](#).

All elections of members of the Board pursuant to the vote of the General Assembly in accordance with procedures set forth by resolution of the Board shall constitute designation of such Directors pursuant to Section 7220(d) of the California Corporations Code.

Section 3. Initial Board

The initial Board shall be appointed by the members of the Interim Steering Committee (ISC), which was formed comprising all applicants responding to a call for membership at the City Protocol workshop held at Barcelona, Spain in July 2012. All ISC participants whose organization has signed the Membership Agreement shall be eligible to be elected or appointed to the initial Board ("Eligible ISC Participants").

Following the formation of the ISC, its participants appointed a Chairman of the ISC from the City of Barcelona, Spain to initiate the organization of CPS.

The initial Board shall have a maximum of seven (7) members. The initial Board shall include representatives of at least three (3) City Members and at least two (2) Commercial Members. The Chair of the ISC shall solicit at least five (5) nominations from Eligible ISC Participants. These nominations shall be submitted by electronic mail to an appointee of the Chairman of the ISC.

Representatives of the three (3) City Members receiving the most nominations shall be appointed to the initial Board. Representatives of the two (2) Commercial Members receiving the most nominations shall be appointed to the initial Board. Should there be a tie between two or more nominees that prevents the minimum number of City Members or Commercial Members to be selected for Board representation, a run-off election between the Member nominees shall be completed until the required minimum number of elected Board members is determined. Members that are represented on the Board shall be represented by Representative. Up to two additional members of the initial Board may be appointed by the Chairman of the ISC.

Section 4. Role of the Initial Board

The first order of business for the initial Board shall be to finalize and adopt the Bylaws. Additional actions required during the initial CPS establishment include the following, which duties shall continue to be performed by the Board as it is constituted from time to time:

- (a) Pursuant to [Article 2](#), development and approval of the membership program ;

- (b) approval of the formation documents including the Articles of Incorporation, Membership Agreement and Intellectual Property Rights (IPR) Policy;
- (c) development of internal processes, policies, and guidelines as required to carry out the actions outlined in [Article 1](#), including (but not limited to), those regarding the approval and management of Working Teams, and the review and management of the repository of the Society's CPAs;
- (d) establishment of the annual audit and election processes, which shall be executed by the committees set up by the initial Board;
- (e) development of templates to guide common tasks such as proposing Working Teams or Local Chapters or developing CPAs;
- (f) development of standard intellectual property and copyright notices to be included in each CPAs, pursuant to [Article 8 Section 6](#);
- (g) planning for and execution of the first AGM which shall occur within twelve (12) months of the election of the Initial Board;
- (h) determination of the size and composition of the next Board pursuant to [Article 5 Section 5](#);
- (i) elect the next Board, in accordance with [Article 5 Section 2](#), in advance of the first AGM; and
- (j) election of the initial Officers of the Society pursuant to [Article 6](#).

For avoidance of doubt, the Directors of the initial Board shall each receive a three (3) year term and such Directors shall continue to serve, subject to the requirements of Membership, in those terms after the election of additional Directors.

Section 5. Composition of Board

To ensure broad representation of CPS stakeholders, it is the stated goal and objective of the Society that the Board shall be composed of representatives of Members as outlined below and referencing the stakeholder groups enumerated in [Article 2 Section 1](#):

- (i) At least 50% of Directors shall be from City Members, with at least one-third (1/3) of these Directors from City Members representing Local Chapters if three or more Local Chapters are in operation;
- (ii) at least 25% of Directors shall be from Commercial Members; and

(iii) remaining Directors may be Director from each of the Academia and/or Research Institution Members and the Non-Profit Organization Members.

Prior to and in support of each scheduled election of the Board, the then seated Board shall take action to set the size of the next Board, within the parameters set forth in [Article 5 Section 1](#) and considering the continuing terms of current Directors, shall set the composition of the Board among the stakeholder groups guided by the goals and objectives of [Article 5 Section 5](#) and establish procedures for such election.

Section 6. Resignation, Removal and Vacancies

Any Director may resign at any time by giving written notice to the Chair of the Board in accordance with the notice requirements established by the Board from time to time. Any such resignation shall take effect on a date specified in the notice or, if such date is not specified, when the notice of resignation is delivered. Directors may be removed with or without cause by a vote of two-thirds (2/3) of the Directors.

Any vacancy for a Board seat may be filled by including the open seat in the next regular election process after the vacancy occurs so long as a call for nominations has not been announced. In the alternative, any vacancy for a Board seat may be filled by procedures adopted by the Board from time to time in accordance with these Bylaws. If a vacancy for Board seat is being filled at an election including seats with terms or remaining terms that are unequal in length, then the seat with the longest term shall be filled by the candidate receiving the most votes, the seat with the next longest term shall be filled by the candidate receiving the next most votes, and so on. All Directors so elected will be seated and their term will end as provided in [Article 5 Section 2](#). A Director may serve additional terms provided that the number of successive terms shall not exceed two, except that a partial term of a year or less shall not be counted as a term.

Should the number of Directors fall below the minimum number as specified in [Article 5 Section 1](#) because elected, or appointed, Directors have ceased to serve, or have notified the Board of their intention to resign, Directors sufficient to maintain the minimum number of Directors in office shall be appointed by the Board for the remainder of former Directors' terms. The appointments will be made to replace Directors beginning with the shortest remaining term and proceeding until the number of regularly selected Directors plus appointed Directors totals the minimum number as required by [Article 5 Section 1](#). All Directors appointed by the Board in this manner shall be by the affirmative vote of at least two-thirds (2/3) of the members of the Board then in office.

Section 7. Compensation

Members of the Board shall not receive any compensation (apart from reimbursement of expenses if applicable) for their services as Directors of the Board. However, this shall not preclude reasonable compensation for services rendered by a Director to CPS in another capacity, so long as such compensation is approved by a majority of the Disinterested Directors. As used herein, the term "Disinterested Directors" shall mean Directors not seeking compensation for such services, or whose Member organization is not seeking compensation for such services unless another definition is required by the laws of the State of California.

Section 8. Meetings of the Board

Meetings of the Board shall be held at least annually and at times and places designated by the Board. The Board shall designate one meeting per year as the Annual General Assembly Meeting ("AGM"). Any time after announcement of the final results of the annual election of Directors if applicable such year, and prior to the call to order for the AGM, the Board shall meet, either in person or by telephone and/or electronic means. At that meeting, the Board will consider acceptance of the annual audit, and receive the reports from the Audit and Elections Committees, and any other business of the Board. Meetings of the Board shall be held in person and/or by any means of electronic communication by which all persons participating in the meeting are able to communicate contemporaneously with one another and hear one another. Participation via electronic communication in accordance with the requirements of applicable law shall constitute presence in person at the meeting.

Meetings of the Board shall be held according to Robert's Rules of Order. The Board will be chaired by the Chair of the Board unless the Chair of the Board designates another Director as chair of the meeting. The President may designate a Director to chair a duly called meeting if the Chair of the Board is not available and has not designated a Director to chair the meeting.

Meetings of the Board are normally open to observers who notify the Secretary of their intent to join a given meeting, but the Board may close the meeting, or any session, to non-Board members at its discretion.

Section 9. Special Board Meetings

Special meetings of the Board may be called at any time by the Executive Committee, by the Chair of the Board, by the President, or by a majority of the members of the Board then in office. Special meetings may be held at such place as may be designated in the call for a meeting; in the absence of such designation in the call for a meeting, the Chair of the Board may designate the place of the Special Meeting

Section 10. Notice of Meetings; Waiver of Notice

Notice of the place, date and time of each meeting of the Board shall be served on each Director by Internet, postal mail or by other written notice at least fifteen (15) days before the date of the meeting.

Whenever any notice is required to be given, a waiver thereof in writing by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Except as otherwise expressly required under the laws of the State of California or these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

Section 11. Action of the Board

At all meetings of the Board, a sixty percent (60%) majority of the Directors then in office shall constitute a quorum for the transaction of business. Unless a greater affirmative vote is expressly required for an action under the laws of the State of California, or these Bylaws, the affirmative vote of a majority of the Directors present at any meeting at which a quorum is present shall be an act of the Board. Absentee voting and voting by proxy at the Board level shall not be permitted unless permitted by the laws of the State of California. The presence and vote of an alternate Representative in accordance with [Article 5 Section 1](#) shall be the vote of a Director for all purposes under these Bylaws provided that only one vote per Member represented on the Board may be cast. If a quorum shall not be present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Any action required to be taken at a meeting of the Board, or any action which may be taken at a meeting of the Board, may be taken without a meeting if all Directors individually or collectively consent in writing to that action pursuant to the requirements of applicable law. The written consent or consents shall be filed with the minutes of the proceedings of the Board. The action by written consent shall have the same force and effect as a unanimous vote of the Directors. For purposes of action by unanimous written consent, "all Directors" does not include an "interested director" as defined in Section 5233(a) of the California Corporations Code in the case of a vote excluding interested Directors if establishment of those facts or satisfaction of applicable law is included in the written consent or consents executed by the non-

interested Directors and the non-interested Directors approve the action by a vote that is sufficient without counting the votes of the interested Directors.

Section 12. Electronic Vote

Unless a Director objects, the Board may elect to submit matters to an electronic vote of the Board without a meeting. Such electronic votes shall constitute a formal action of the Board if permitted by applicable law and shall otherwise constitute the will of the Board but shall not be binding action of the Board under applicable law. Any voting member of the Board, or designee, can act as Vote Administrator ("VA") for such an electronic vote. The VA is responsible for posting a call for a vote to the Board email list in the form of a motion to be considered, along with a time limit, not less than seven (7) days, during which electronic votes will be accepted. All electronic votes must be sent to the Board mailing list in order to be counted. Any Director may veto an electronic vote for any reason by sending an email indicating such a veto to the Board mailing list before the voting time limit has passed. The VA is responsible for tracking the vote and announcing the result to the Board mailing list and to the Secretary after the time limit has passed. The motion and results of any electronic vote will be recorded in the records of the Board whether or not constituting a formal action of the Board under applicable law.

Section 13. Meeting Minutes

The Secretary shall ensure that minutes are kept for meetings of the Board. Minutes shall normally consist of the attendees of the meeting, a record of the decisions taken by the Board, a summary of discussions held, and any comments explicitly requested by Directors for inclusion. The minutes will contain an action list with names of persons responsible for the actions. Draft minutes shall be distributed to the Board for comment as soon after a meeting of the Board as possible. The minutes shall be approved at a formal meeting of the Board. The minutes, or a summary thereof, shall be posted to Members on the CPS website as soon as possible after approval by the Board.

Section 14. Committees

The Board may form Committees to consider, investigate, and develop proposals for Board decision on certain matters. These Committees may also oversee Board-defined processes such as annual elections, audits or other recurring activities. The Board shall determine when Committees are needed and shall have the power at any time to designate a member of a Committee as its chair, fill vacancies, or change the membership of a Committee. Any Committee may be terminated by the affirmative vote of at least two-thirds (2/3) of the members of the Board then in office. Each established Committee shall serve at the pleasure of the Board, operate according to a

charter approved by the Board, and report regularly to the Board. The designation of any Committee and the delegation thereto of authority shall not alone relieve the Board, or any individual Director, of his or her responsibilities.

Any Committee member may resign at any time by giving written notice to the Chair of the Committee or to the Chair of the Board. Any such resignation shall take effect at a date specified in the notice or, if such date is not specified, when the notice of resignation is delivered. Any vacancy in a Committee may be filled by the Board, and any Committee member may be removed from a Committee by the Board with or without cause.

The chair of any Committee is authorized, with the support of other members of the Committee, to invite guests to participate in some or all of the Committee's work, but such guests shall not have the right to vote on any matters considered by the Committee.

The Board may establish the following Standing Committees: an Executive Committee, an Audit Committee, a Finance Committee, a Compensation Committee, a Nominations Committee, and an Elections Committee. The Nominations Committee and the Elections Committee may consist of individuals who are not Directors, and those Committees shall not have any powers of the Board. The Board may establish such other Committees as it deems appropriate to facilitate the activities of CPS, provided that no such Committee shall take actions reserved to the Board.

Committees shall have the duties, responsibilities and authorities designated by the Board, including in charters approved by the Board. A Committee designated by the Board may make, alter and repeal rules for the conduct of its business. Meetings of a Committee may be held at such place as the Committee shall determine, and may be held in person and/or by any means of electronic communication by which all persons participating in the meeting are able to communicate contemporaneously with one another and hear one another. Participation via electronic communication in accordance with the requirements of applicable law shall constitute presence in person at the meeting. In the absence of a contrary provision by the Board or in rules adopted by any such Committee, [Article 5 Section 10](#) through Section 13 shall apply to such Committees.

Section 15. Budget

Unless otherwise directed by the Board, the Treasurer shall submit to the Board, at least one month prior to the beginning of each fiscal year, a budget for coming fiscal year, for the Board's consideration and approval.

Section 16. Role of the Board

The Board is responsible of the governance of CPS and shall determine its policy, goals and strategy, and action plans.

The Board shall:

- (a) Establish the leadership agenda and ensure that all propositions submitted to the GA for approval align with vision, mission, principles and values of CPS, and are consistent with the Open-Stand Principles (www.open-stand.org);
- (b) manage the assets of CPS, delegate financial, logistical, and other management responsibilities to a Secretariat selected by the Board and serving under the direction of the President;
- (c) submit the annual financial statements and budget to the approval of the General Assembly;
- (d) supervise the management by the Secretariat of the marks, logotypes and other distinctive signs for use by CPS;
- (e) propose to the General Assembly the membership program including benefits and ordinary fees and/or supplementary contributions and take action on all applications for Membership in the Society;
- (f) set ongoing size and composition of the Board within the guidance and requirements of the Bylaws and establish procedures for the election of Directors;
- (g) elect Officers of CPS on an annual basis;
- (h) take action on amendments to or repeal of the Bylaws or additional internal operating policies and procedures;
- (i) review and take action on approvals of CPAs;
- (j) perform in good faith any and all duties imposed on them collectively and individually by applicable law, the Articles of Incorporation, or the Bylaws; and
- (k) perform such other duties as are customary for the directors of a nonprofit corporation organized under Section 501(c)(6) of the Code.

Article 6. OFFICERS

Section 1. Officers

The officers shall be elected by the Board. The officers of CPS shall consist of a Chair of the Board, a President, a Treasurer, a Secretary and such other officers as the Board deems necessary. The officers of CPS shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties that from time to time may be conferred by the Board.

Section 2. Election of Officers

Officers shall serve until the end of the AGM following their election as an officer or until their earlier resignation, removal or death and may be re-elected to serve one or more additional terms.

Section 3. Chair of the Board

The Chair of the Board shall be elected annually by the Board from among the members of the Board.

Section 4. President

The President, who may also be referred to as the Chief Executive Officer or CEO, shall be responsible for the day-to-day conduct of CPS's activities including, without limitation, routine oversight and direction of the Secretariat, and shall have such other powers and perform such other duties as the Board may prescribe from time to time. The President shall perform his or her duties subject to the direction of the Board, and for such compensation, if any, and on such other terms and conditions as the Board shall determine.

Section 5. Secretary

The Secretary shall:

- (a) Certify and keep at the principal office of the Society the original, or a copy, of these Bylaws as amended to date;
- (b) keep at the principal office of the Society or at such other place as the Board may determine, a book of minutes of all meetings of the Board, and, if applicable, meetings of committees of Directors and of the General Assembly, recording therein the time and place of holding, whether regular or special, ordinary or extraordinary, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof, including all ballots and proxies;

- (c) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- (d) advise the Members in writing of all results of any election of the Board;
- (e) be custodian of the records and of the seal of the Society and affix the seal, as authorized by law or the provisions of these Bylaws, to duly executed documents of the Society;
- (f) keep at the principal office of the Society a membership book containing the name and address of all Members, and, in the case where any Member has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased;
- (g) exhibit at all reasonable times to any Member of the Society, or to the Member's agent or attorney, on request therefore, the Bylaws, the membership book, and the minutes of the proceedings of the GA and any other constituent groups of the Members of the Society; and
- (h) perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board.

Section 6. Treasurer

The Treasurer shall:

- (a) Have charge and custody of, and be responsible for, all funds and securities of the Society, and deposit all such funds in the name of the Society in such banks, trust companies, or other depositories as may be selected by the Board;
- (b) receive, and give receipt for, monies due and payable to the Society from any source whatsoever;
- (c) disburse, or cause to be disbursed, the funds of the Society as may be directed by the Board, taking proper vouchers for such disbursements;
- (d) keep and maintain adequate and correct accounts of the Society's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- (e) exhibit at all reasonable times the books of account and financial records to any Director of the Society, or to his or her agent or attorney, on request therefore;

- (f) render to the President and Board, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the Society;
- (g) prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports; and
- (h) perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the Society, or by these Bylaws, or which may be assigned to him or her from time to time by the Board.

Section 7. Removal of Officers

Any officer may be removed with or without cause by two-thirds (2/3) of the Directors then in office whenever in their judgment the best interests of CPS would be served thereby. Such removal shall be without prejudice to such person's contract rights, if any, but the appointment of any person as an officer shall not of itself create contract rights.

Section 8. Officer Vacancy

Any vacancy in an officer position may be filled by the Board.

Section 9. Agents and Employees

The Board and its designees may appoint agents and employees who shall have such authority and perform such duties as may be prescribed by the Board subject to any limits of applicable law. The Board or such Board designee may remove any agent or employee it appoints at any time with or without cause.

Section 10. Compensation

Officers shall serve in such respective capacities without compensation (apart from reimbursement of actual and necessary expenses if applicable).

Article 7. LOCAL CHAPTERS

Section 1. Local Chapters

Proposals for the creation of Local Chapters of regional scope shall be submitted to the Board, or a designee, for approval. Local Chapters are intended to support the work and stakeholders of CPS within a specific geographic region through actions such as promoting projects, communicating the value of CPS locally, recruiting new member organizations, organizing events, or promoting local projects.

The procedures for forming, proposing, operating, and terminating a Local Chapter shall be defined in a Chapter procedures document, which may be amended by the Board from time to time.

Article 8. FINANCIAL AND DOCUMENTARY REGIME

Section 1. Financial year

The financial year will coincide with the calendar year, excepting the first year which will commence as of the date of the founding of CPS and will end on the thirty- first (31) December of the same year. Unless otherwise determined by the Board, the fiscal year of CPS is the calendar year.

Section 2. Net Worth

In the course of its operation CPS will acquire materials, finances, and property. These assets will be managed by the Secretariat under the management of the President and the direction of the Board, following all applicable laws and regulations in the State of California. An account of these assets, of expenses and income, and an annual budget will be submitted annually to the Board.

Section 3. Execution of Instruments

The Board, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Society to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Society, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Society by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 4. Checks and Notes

Except as otherwise specifically determined by resolution of the Board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Society with a value of less than Twenty Thousand Dollars (\$20,000) cumulative in any quarterly period may be signed by the President or Treasurer. Checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness in excess of Twenty Thousand Dollars (\$20,000) shall require the signatures of at least two (2) of officers listed in [Article 6 Section 1](#) and a special resolution of the Board.

Section 5. Deposits

All funds of the Society shall be deposited from time to time to the credit of the Society in such banks, trust companies, or other depositories as the Board may select.

Section 6. Minutes; Repository and Copyright of Other CPS Products

The Minutes taken by the Secretary, including the decisions adopted in each meeting of the Board and AGM, will be deposited in the registered offices of CPS where they will remain at the disposal of its members.

The primary products of CPS will be City Protocol Agreements (CPA) in the form of technical or methodological information, guidance or suggested approach documents, which will be kept in a public, open repository. All of these documents will be developed pursuant to the CPS Intellectual Property Rights Policy, as in effect from time to time. CPS will maintain copyright ownership of such documents for the purpose of ensuring their perpetual availability for use, including their use for creation of derivative works.

Section 7. Ordinary Annual Fees

The Board will determine the membership program including the benefits and the quantity of the ordinary annual fees that must be paid by the Members prior to their exercising member rights. All changes to, or additions to, membership fees shall be reviewed by the Members at a GA meeting.

Article 9. INDEMNIFICATION

Section 1. Right to Indemnification

CPS shall, to the maximum extent and in the manner permitted by applicable law as it exists on the date hereof or as it is hereafter amended, indemnify any person who is or was serving as a Director against any and all expenses, judgments, fines, settlements, compromise payments and other amounts actually and necessarily incurred by such person in connection with the defense or disposition of any claim, action, suit, or proceeding (whether actual or threatened, pending or completed, civil, criminal, administrative or investigative, including appeals) to which such person may be or is made a party by reason of being or having been a Director or, while a Director serves or served at the written request of CPS as a director, employee or agent of another organization; provided, however, that as to any matter disposed of by a settlement or compromise payment by such person, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such Director appears to have acted in good faith in the reasonable belief that

his or her action was in the best interests of CPS and the settlement or compromise payment is approved (i) by a majority vote of the members of the Board who are not parties to such claim, action, suit, or proceeding, even though less than a quorum; or (ii) by a majority vote of a committee of the Board consisting of all Directors who are not parties to such claim, action, suit, or proceeding, even though less than a quorum; or (iii) if there are no such Directors in office, or if such Directors so direct, by independent legal counsel in a written opinion to the effect that the party to such claim, action, suit, or proceeding has met the applicable standard of conduct necessary for indemnification set forth in this [Article 9](#) of these Bylaws; or (iv) by a court of competent jurisdiction. A Director of the Board serving as an Officer of CPS shall also be fully covered under this Section 1 related to his or her service in the capacity of Officer of CPS.

Section 2. Indemnification of Officers, Employees and Agents

CPS may, to the extent authorized from time to time by the Board in its sole discretion and subject to applicable law, provide rights to indemnification and to the advancement of expenses to Officers, employees and agents (other than Directors in their capacity as Officer who are addressed in [Article 9](#) of these Bylaws) against any and all expenses, judgments, fines, settlements, compromise payments and other amounts actually and necessarily incurred by such person in connection with the defense or disposition of any claim, action, suit, or proceeding (whether actual or threatened, pending or completed, civil, criminal, administrative or investigative, including appeals) to which such person may be or is made a party by reason of being or having been an Officer, employee or agent of CPS or his or her service at the written request of CPS as a director, officer, employee or agent of another organization.

Section 3. Right to Advancement of Expenses

The right provided under [Article 9](#) of these Bylaws, or if otherwise approved by the Board, shall include the right to be paid by CPS expenses (including attorney's fees) reasonably incurred in defending any claim, action, suit, or proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of such claim, action, suit, or proceeding shall be made only upon receipt of (i) an affidavit of such person of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under law and these Bylaws, and (ii) an undertaking by such person to repay CPS the amounts so paid if it is ultimately determined by a court or other tribunal that the indemnification for such expenses is not authorized by law or these Bylaws. Such an undertaking may be accepted without reference to the financial ability of such recipient to make repayment.

Section 4. Non-Exclusivity of Rights

The indemnification and advancement of expenses provided by, or granted pursuant to [Article 9](#) of these Bylaws, this shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, Bylaw, agreement, vote of the Board, or otherwise, and shall not restrict the power of CPS to make any indemnification or advancement of expenses permitted by law. Further, the provisions of [Article 9](#) of these Bylaws shall not be deemed to preclude the indemnification of any person who is not specified in these Bylaws but who CPS has the power or obligation to indemnify under the provisions of the applicable law.

Section 5. Insurance

CPS shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director of the Board, Officer, employee or agent of CPS or is or was serving at the request of CPS as a member of a board of directors or other governing board, officer, employee or agent of another organization against any liability asserted against or incurred by such person in such capacity or arising out of such person's status as such, whether or not CPS would have the power to indemnify that person against such liability under the provisions of [Article 9](#) of these Bylaws or applicable law.

Section 6. Limitation on Indemnification

In no case shall CPS make any payment that (i) would materially adversely affect CPS's status or (ii) would be treated as an excess benefit. Further, if at any time CPS is deemed to be a private foundation then, during such time, CPS shall not make any payment if such payment would constitute an act of self-dealing or a taxable expenditure.

Section 7. Survival

The provisions of [Article 9](#) of these Bylaws shall be applicable to claims, actions, suits, or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after adoption hereof. The rights to indemnity hereunder shall continue as to a person who has ceased to be a Director, Officer or employee and shall inure to the benefit of the heirs, executors and administrators of such person. The foregoing indemnification provisions shall be deemed to be a contract between CPS and each Director and Officer who serves in any such capacity at any time while these provisions as well as relevant provisions of applicable law for Non-profit Organizations are in effect and any repeal or modification thereof shall not affect any right or obligation then existing with respect to any state of facts then or previously existing or any claim, action, suit, or proceeding previously or thereafter brought or

threatened based in whole or in part upon any such state of facts. Such a contract right may not be modified retroactively without the consent of such Director.

Section 8. Severability

If any part of [Article 9](#) of these Bylaws shall be found in any claim, action, suit, or proceeding to be invalid or ineffective, the validity and effectiveness of the remaining parts shall not be affected.

Section 9. Right of Claimant to Bring Suit

If a claim under [Article 9 Section 1](#) or, to the extent an employee or agent is entitled to indemnification, [Article 9 Section 2](#) is not paid in full by CPS within thirty (30) days after a written claim therefor has been received by CPS, the claimant may any time thereafter bring suit against CPS to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. In any such action, the burden of proof shall be on CPS to prove the claimant is not entitled to such payment.

Neither the failure of CPS to have made a determination prior to the commencement of such action that the claimant is entitled to indemnification or advancement under the circumstances, nor an actual determination by CPS that the claimant is not entitled to indemnification or advancement, shall be a defense to the action or create a presumption that the claimant is not entitled to indemnification or advancement.

The right to be indemnified or to the reimbursement or advancement of expenses pursuant hereto (i) is a contract right based upon good and valuable consideration, pursuant to which the person entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between CPS and the Director, (ii) is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof, and (iii) shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto.

Any Director serving in any capacity, and any other person serving as a member of the board of directors of (i) another organization effectively controlled by CPS or (ii) any employee benefit plan of CPS or of any organization referred to in clause (i), shall be deemed to be doing so at the written request of the Board.

Article 10. MISCELLANEOUS

Section 1. Dissolution

The dissolution of CPS may take place in the following cases:

- a) By the will of the Members expressed by two-thirds (2/3) resolution of the General Assembly.
- b) By the impossibility of complying with the objectives envisaged in these Bylaws noted by resolution of the General Assembly.
- c) By legal ruling.
- d) For any other cause required by applicable legislation in force.

Dissolution of CPS shall also require action by the Board to the extent required by law. In the event of dissolution, a liquidation commission will be appointed which, after extinguishing all debts and if any liquid surplus exists, will allocate this toward the charitable causes.

Section 2. Advisory Council

The Chair of the Board is authorized to establish an Advisory Council consisting of representatives of CPS member organizations with participation from each of the member categories enumerated in [Article 2 Section 1](#).

Article 11. DISPUTES AND ARBITRATION

Section 1. Mediation

Members and CPS agree to first submit any controversy or claim between any Member and CPS arising out of or relating to these Bylaws, or the breach thereof, to nonbinding mediation in San Francisco, California, by a mediator to be selected by the parties from a panel selected by the International Chamber of Commerce ("ICC") ADR Dispute Resolutions Services. The parties agree to mediate in good faith over a minimum period of thirty (30) business days.

Section 2. Arbitration

Any controversy or claim between any Member and CPS arising out of or related to these Bylaws not resolved by mediation shall be settled by binding arbitration in accordance with the Arbitration Rules (the "Rules") of the ICC, and the procedures set forth below. In the event any inconsistency between the Rules of ICC and the procedures set forth below, the procedures set forth below shall control. Judgment upon the award rendered by the arbitrator may be enforced in any court having jurisdiction thereof.

Section 3. Location

The location of the mediation and arbitration shall be in San Francisco, California or another mutually agreed location.

Section 4. Selection of Arbitrators

The arbitration shall be conducted by a panel of three (3) ICC arbitrators who are independent and disinterested with respect to CPS. If the parties are unable to agree to arbitrators, the panel of arbitrators shall be appointed by ICC from among their panelists with relevant expertise.

Section 5. Case Management

Prompt resolution of any dispute between any Member and CPS is important to all parties and the parties agree that the arbitration of any such dispute shall be conducted expeditiously. The arbitrators shall be instructed and directed to assume case management initiative and control over the arbitration process (including scheduling of events, prehearing discovery and activities), in order to complete the arbitration as expeditiously as possible.

Section 6. Remedies

The arbitrators may grant such legal or equitable remedy or relief (including injunctive relief) that the arbitrators deem just and equitable, to the same extent that such remedy or relief could be granted by a relevant court; provided, however, that such remedy or relief is consistent with the remedies and limitations set forth in these Bylaws.

Section 7. Expenses

The expenses of the arbitration, including the arbitrators' fees, shall be shared equally among the parties. Each party shall be responsible for its own attorneys' fees, including expert witnesses.

Section 8. Confidentiality

Except as set forth below, the parties shall keep confidential the fact of the arbitration, the dispute being arbitrated, and the decision of the arbitrators. Notwithstanding the foregoing, the parties may disclose information about the arbitration to persons who have a need to know, such as directors, trustees, experts, investors, insurers, legal counsel, and when required to disclose by applicable securities laws.

Section 9. Intellectual Property

There shall be no arbitration of issues of the validity, infringement or enforceability of patents or copyrights. Further, this section does not apply to any intellectual property rights of a Member with respect to other Members or third-parties.