

Bylaws of HR Open Standards Consortium, Inc., A California Non-Profit Corporation

10/21/2015

Article I. DEFINITIONS

Section 1.01

"Corporation" shall mean the "HR Open Standards Consortium, Inc."

Section 1.02

"Member" shall mean any corporation, governmental organization, educational institution or other enterprise or individual that meets the qualifications for membership in the Corporation, and that has been admitted to membership in accordance with Article 13 of these Bylaws.

Section 1.03

"Voting Member" shall mean a Member of the Corporation that has been admitted to a membership class having voting rights, as specified in Article 13 of these Bylaws. Notwithstanding anything else in these Bylaws, any reference in these Bylaws to a vote to be taken by the Members, or to "approval of the Members," shall refer only to the Voting Members of this Corporation.

Article II. OFFICES

Section 2.01 Principal Office

The principal office of the Corporation for the transaction of its business is located at a location as chosen by the Board of Directors.

Section 2.02 Change Of Address

The designation of the Corporation's principal office may be changed by the Board of Directors.

Section 2.03 Other Offices

The Corporation may have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the Board of Directors from time to time may designate.

Article III. PURPOSES

Section 3.01 US IRC Section 501(c)(6) Purposes

The Corporation is organized and shall be operated exclusively for one or more of the purposes as specified in Section 501(c)(6) of the U.S. Internal Revenue Code.

Section 3.02 Primary Objectives and Purposes

The primary objectives and purposes of the Corporation are as follows:

The HR OPEN STANDARDS Consortium is an independent, non-profit association whose sole purpose is the development and promotion of a standard suite of data exchange specifications to enable e-commerce and automation of human resources-related data exchanges between and among organizations and individuals worldwide.

Article IV. DIRECTORS

Section 4.01 Number of Directors

The Corporation shall have not less than three (3) nor more than eleven (11) Directors, and collectively they shall be known as the Board of Directors. Within that range, the exact number of authorized Directors shall be established by resolution of the Board of Directors from time to time. The composition of the Board of Directors shall come from all membership classifications exclusive of membership voting rights.

Section 4.02 Powers

The activities and affairs of this Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors, subject to the provisions of law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members of this Corporation.

Section 4.03 Duties

It shall be the duty of the Directors to:

- (a) General. A director shall perform the duties of a director, including duties as a member of any Board Committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- (i) one or more officers or employees of this corporation whom the director believes to be reliable and competent as to the matters presented;
- (ii) counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence;
or
- (iii) a Board Committee upon which the director does not serve, as to matters within its designated authority, provided that the director believes such Committee merits confidence;

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

Section 4.04 Compensation

Directors shall serve without compensation. They shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as specified in Section 4.03. Directors may not be compensated for rendering services to the Corporation in any capacity other than Director unless such other compensation is reasonable and is allowable under the provisions of Section 4.05.

Section 4.05 Restriction Regarding Interested Directors

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

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

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

Section 4.06 Place Of Meetings

Meetings of the Board of Directors may be held at any location specified by the Board of Directors. Meetings may be held in person or by telephone conferencing or by any combination of audio, video, or computer conferencing techniques, so long as all persons participating in such meeting can hear one another.

Section 4.07 Regular Meetings

Regular meetings of Directors shall be held at a minimum of four (4) times per calendar year.

Section 4.08 Special Meetings

Special meetings of the Board of Directors may be called by any three Directors or by the Executive Director. Such meetings shall be held at the place designated by the person or persons calling the meeting.

Section 4.09 Notice Of Meetings

Unless otherwise provided by the Articles of Incorporation, these Bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the Board of Directors:

(a) **Quarterly and Annual Meetings.** At least 30 days prior notice of Quarterly and the Annual Meetings shall be given by the Executive Director of the Corporation to each Director.

(b) **Special Meetings.** At least one week's prior notice of any Special Meeting shall be given by the Executive Director of the Corporation to each Director.

The notices required by this Section may be oral or written, may be given personally, by mail, by telephone, by facsimile machine, or by electronic message, and shall state the place, date, and time of the meeting and the matters proposed to be acted upon at the meeting. In the case of facsimile notification or electronic message, the Director to be contacted shall acknowledge personal receipt of the facsimile notice or electronic message by a return facsimile, or electronic message, or telephone call within three (3) working days of the first notification.

Section 4.10 Waiver Of Notice And Consent To Holding Meetings

The transactions of any meeting of the Board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 4.11 Quorum For Meetings

A quorum shall consist of a majority of Directors.

Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this Corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the Chairperson shall entertain at such meeting is a

motion to adjourn.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of such adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 4.10.

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

Section 4.12 Majority Action As Board Action

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is an act of the Board of Directors, unless the Articles of Incorporation, these Bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the Board.

Section 4.13 Conduct Of Meetings

The Chairperson or in his or her absence, the Secretary, shall preside over meetings of the Board of Directors. The Secretary of the Corporation shall act as Secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

A Director may designate an alternate representative from the same organization to attend a Board of Directors meeting as an observer when that Director is unable to attend a meeting. A Director's designee may not vote on matters coming before the Board of Directors.

Meetings shall be governed by such procedures as may be approved from time to time by the Board, insofar as such rules are not inconsistent with or in conflict with the Articles of Incorporation, these Bylaws, or with provisions of law.

Directors may participate in a regular or special meeting through use of telephone conferencing or similar electronic conferencing techniques, so long as all people participating in such meeting can hear one another. Participation in a meeting pursuant to this Section constitutes presence in person at such meeting.

Section 4.14 Action By Unanimous Written Consent Without Meeting

Any action that the Board of Directors is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All consents shall be filed with the minutes of the proceedings of the Board.

Section 4.15 Eligibility, Election and Terms Of Office

(a) Any member, in good standing, of the Consortium shall be eligible for nomination and election to the Board of Directors.

(b) Each Director shall hold office for the length of their elected term and until his or her successor is elected and qualifies. Directors shall each hold office for a two-year term, except those Directors who qualify under paragraph (c) of this Section to serve an alternative term.

(c) The terms of the Directors shall be staggered so that no less than half of the available seats on the Board of Directors are elected in any one year.

(d) To establish the staggered terms specified under paragraph (b) of this Section, no less than a third of the Directors elected to the Board at the first election shall be eligible to serve an initial three-year term. The Directors eligible to serve this initial three-year term shall be determined through a random lottery administered by the Secretary. After the first election, the Board may decide on the use of similar means to restore staggered election terms should an increase in the number of Board members or other

circumstances make this necessary.

Section 4.16 Election

(a) **Election Procedures.** Board elections will be held annually. The Corporation shall make available to members reasonable nomination and election procedures with respect to the election of Directors by Members. Such procedures shall be reasonable given the nature, size, and operations of the Corporation, and shall include a reasonable means of nominating persons for election as directors; a reasonable opportunity for a nominee to communicate to the members the nominee's qualifications and the reasons for the nominee's candidacy; a reasonable opportunity for all nominees to solicit votes; and a reasonable opportunity for all members to choose among the nominees.

(b) **Election by Written Ballot.** Directors are elected by written ballot. Each voting member shall cast one ballot indicating up to as many separate votes as there are directors to be elected. Cumulative voting for the election of directors shall not be permitted. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

Section 4.17 Vacancies

Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any director, and (2) whenever the number of authorized directors is increased.

(a) **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 felony, or been found by a final order or judgment of any court to have breached any fiduciary duties to Members under provision of law.

(b) **Removal Without Cause.** If the Corporation has less than fifty (50) members, Directors may be removed without cause by a majority of all members, or, if the Corporation has fifty (50) or more members, by vote of a majority of the votes represented at a membership meeting at which a quorum is present.

(c) **Resignation.** Any director may resign effective upon giving written notice to the Chairperson, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation.

(d) **Filling vacancies.** Vacancies on the Board may be filled by the Board with a person skilled in the area of the position being vacated. The board may choose to reallocate specific board positions to determine which position is to be filled.

If the number of directors then in office is less than a quorum, then positions are filled by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these Bylaws, or (3) a sole remaining director.

(e) **Length of term.** A person filling a vacancy as provided by this Section shall hold office for the remainder of that Director seat's original term or until his or her death, resignation, or removal from office.

Section 4.18 Non-Liability Of Directors

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

Section 4.19 Indemnification By Corporation Of Directors, Officers, Employees, And Other Agents

The Directors and officers of the Corporation shall be indemnified by the Corporation to the fullest extent permissible under the provision of law.

Section 4.20 Insurance For Corporate Agents

Except as may otherwise be provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation (including a Director, Officer, employee or other agent of the Corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the Articles of Incorporation, these Bylaws, or provisions of law.

Article V. OFFICERS

Section 5.01 Number Of Officers

The officers of the corporation shall be a Chairperson, a Secretary, and a Treasurer. The Corporation also may have other Officers, as determined by the Board of Directors. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve as the Chairperson.

Section 5.02 Eligibility, Election And Term Of Office

- (a) Any person may serve as officer of the corporation with the exception of the office of the Chairperson. Only directors who have completed a minimum of one year on the board may run for office of the Chairperson.
- (b) Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office for the designated term or until he or she resigns, is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.
- (c) The Chairperson will serve a term of one year and be eligible to serve up to four consecutive terms, with a board approved option to run for additional terms. An additional one year term option must be approved by 2/3 vote of the Board of Directors prior to the elections process.
- (d) The Secretary will serve a term of one year and eligible to serve up to four consecutive terms.
- (e) The treasurer will serve a term on one year and eligible to serve up two consecutive terms for fiduciary checks and balances.
- (f) Upon completion of terms all officers may run for another officer or director position.

Section 5.03 Subordinate Officers

The Board of Directors may appoint such other Officers or agents as it may deem desirable, and such Officers shall serve such terms, have such authority and perform such duties as may be prescribed from time to time by the Board of Directors

Section 5.04 Removal And Resignation

Any Officer may be removed, either with or without cause, by the Board of Directors, at any time. An Officer may resign at any time by giving written notice to the Board of Directors or to the Chairperson or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of the Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any Officer of the Corporation.

Section 5.05 Vacancies

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any Officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of Chairperson, such vacancy may be filled temporarily by appointment by the Chairperson until such time as the Board shall fill the vacancy. Vacancies occurring in offices of Officers appointed at the discretion of the board

may or may not be filled, as the board shall determine.

Section 5.06 Duties Of Chairperson

The Chairperson shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Unless another person is specifically appointed as Chairperson of the Board of Directors, he or she shall preside at all meetings of the Board of Directors. If applicable, the Chairperson shall preside at all meetings of the members. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the Corporation, execute contracts, checks, or other instruments that may from time to time be authorized by the Board of Directors.

Section 5.07 Duties Of The Secretary

The Secretary shall:

- (a) Certify and keep at the principal office of the Corporation the original, or a copy of these Bylaws as amended or otherwise altered to date.
- (b) Keep at the principal office of the Corporation or at such other place as the Board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of Directors and of Members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
- (c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- (d) Be custodian of the records and of the seal of the Corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the Corporation under its seal is authorized by law or these Bylaws.
- (e) Keep at the principal office of the Corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.
- (f) Exhibit at all reasonable times to any director of the Corporation, or to his or her agent or attorney, on request therefor, the Bylaws, the Membership book, and the minutes of the proceedings of the Directors of the Corporation.
- (g) Oversee, validate, and confirm all nomination and election processes.
- (h) In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

Section 5.08 Duties Of Treasurer

Subject to the provisions of Article 7 of these Bylaws relating to the "Execution of Instruments, Deposits and Funds," the Treasurer shall:

- (a) Have charge and custody of, and be responsible for, any funds and securities of the corporation, and deposit any such funds in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

- (b) Receive, and give receipt for, monies due and payable to the Corporation from any source whatsoever.
- (c) Disburse, or cause to be disbursed, the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for any such disbursements.
- (d) Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.
- (e) Exhibit at any reasonable times the book of account and financial records to any Director of the Corporation, or to his or her agent or attorney, on request therefor.
- (f) Render to the Chairperson and Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the Corporation.
- (g) Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- (h) In general, perform any duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

Section 5.09 Assignment Of Duties and Responsibilities

The administrative and day-to-day operations of the HR OPEN STANDARDS Consortium shall be the responsibility of the salaried staff head or firm employed or appointed by the Board of Directors. The chief staff officer shall have the title of Executive Director and shall have the authority and responsibility to act on behalf of HR OPEN STANDARDS Consortium as determined by the Board of Directors.

Section 5.10 Compensation

The salaries of the Officers, if any, shall be fixed from time to time by resolution of the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Corporation, provided, however, that such compensation paid a Director for serving as an Officer of the Corporation shall only be allowed if permitted under the provisions of Section 4.05 of these Bylaws. In all cases, any salaries received by Officers of this Corporation shall be reasonable and given in return for services actually rendered for the Corporation which relate to the performance of the public purposes of this Corporation.

Article VI. COMMITTEES

Section 6.01 Executive Committee

The Board of Directors may, by a majority vote of Directors, designate two (2) or more of its members (who may also be serving as Officers of the Corporation) to constitute an Executive Committee and delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except with respect to:

- (a) The approval of any action which, under law or the provisions of these Bylaws, requires the approval of the members or of a majority of all of the Members.
- (b) The filling of vacancies on the Board or on 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 these Bylaws.
- (e) The amendment or repeal or any resolution of the Board which by its express terms is not so amended or repealed.
- (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 the Director than can be elected.

(h) The approval of any transaction to which this Corporation is a party and in which one or more of the Directors has a material financial interest, except as may be expressly provided under provision of law.

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease by not below two (2) the number of its members, and fill vacancies therein from the members of the board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the Board may require.

Section 6.02 Other Committees

The Corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also members of the Board.

Section 6.03 Meetings And Action Of Committees

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provision of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provision of these Bylaws.

Article VII. EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

Section 7.01 Execution Of Instruments

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

Section 7.02 Checks And Notes

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by the Corporation's Treasurer or by its executive director, if the Chairperson has conferred such responsibility upon him or her under Section 5.10. In cases where a given expenditure exceeds a monetary amount established by the Board, such instruments shall also be countersigned by the Chairperson or Treasurer of the Corporation.

Section 7.03 Deposits

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

Section 7.04 Gifts

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

Article VIII. CORPORATE RECORDS, REPORTS AND SEAL

Section 8.01 Maintenance Of Corporate Records

The corporation shall keep at its principal office:

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

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

(c) A record of its Members, indicating their names and addresses, the class of membership held by each member, and the termination date of any membership;

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

Section 8.02 Corporate Seal

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

Section 8.03 Director's Inspection Rights

Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation.

Section 8.04 Member's Inspection Rights

Every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a Member:

(a) To inspect and copy the record of all Members' names, addresses and voting rights, at reasonable times, upon five (5) business days' prior written demand on the Corporation, which demand shall state the purpose for which the inspection rights are requested.

(b) To obtain from the Secretary of the Corporation, upon written demand and payment of a reasonable charge, a list of the names, addresses, and voting rights of those Members entitled to vote for the election of Directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled.

(c) To inspect in any reasonable time the books, records, or minutes of proceedings of the Members or of the Board or committees of the Board, upon written demand on the Corporation by the Member, for a purpose reasonably related to such person's interests as a Member.

Section 8.05 Right To Copy And Make Extracts

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

Section 8.06 Annual Report

The Board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the Corporation's fiscal year to all Directors of the Corporation and to any Member who requests it in writing, which report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year;
- (e) Any information required by Section 8.07 of this Article.

The annual report shall be accompanied by any report therein of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

If this Corporation receives twenty-five thousand dollars (\$25,000) or more in gross revenues or receipts during the fiscal year, this corporation shall automatically send the above annual report to all members, in such manner, in such time, and with such contents, including an accompanying report from independent accountants or certification of a corporate officer, as specified by the above provisions of this Section relating to the annual report.

Section 8.07 Annual Statement Of Specific Transactions To Members

This Corporation shall mail or deliver to all Directors and any and all members a statement within one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction in which the Corporation was a party, and in which another party was:

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

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than fifty thousand dollars (\$50,000) or which was one of a number of transactions with the same person involving, in the aggregate more than fifty thousand dollars (\$50,000).

Similarly, the statement need only be provided with respect to indemnification or advances aggregating more than ten thousand dollars (\$10,000) paid during the previous fiscal year to any Director or Officer, except that no such statement need be made if such indemnification was approved by the Members pursuant to any provision of law.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transaction, stating each person's relationship to the Corporation, the nature of such person's interest provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

If this Corporation provides all members with an annual report according to the provision of Section 8.06, then such annual report shall include the information required in this Section.

Article IX. FISCAL YEAR

The fiscal year of the Corporation shall begin on the January 1st and end on the December 31st of each year.

Article X. AMENDMENT OF BYLAWS

These Bylaws may only be amended as follows:

- (a) By the Board of Directors, unless the amendment would (i) materially and adversely affect the rights of Members, as to voting, dissolution, redemption, or transfer, (ii) affect an exchange, reclassification, or cancellation of all or part of the memberships; or (iii) authorize a new class of memberships.

(b) By approval of the Members of the Corporation.

Article XI. AMENDMENT OF ARTICLES

Section 11.01 Amendment Of Articles Before Admission Of Members

Before any Members have been admitted to the Corporation, any amendment of the Articles of Incorporation may be adopted by approval of the Board of Directors.

Section 11.02 Amendment Of Articles After Admission Of Members

After Members have been admitted to the Corporation, amendment of the Articles of Incorporation may be adopted by the approval of the Board of Directors and by the approval of the Members of this Corporation.

Section 11.03 Certain Amendments

Notwithstanding the above Sections of this Article, this Corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation of the names and addresses of the first Directors of this Corporation, nor the name and address of its initial agent, except to correct an error in such statement.

Article XII. PROHIBITION AGAINST SHARING CORPORATE POWERS AND ASSETS

No Member, Director, Officer, employee, or other person connected with this Corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the Corporation in effecting any of its public purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the Corporation. The members of the Corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the Corporation, whether voluntarily or involuntarily, the assets of the Corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this Corporation and not otherwise.

Article XIII. MEMBERS

Section 13.01 Voting and Non-Voting Membership Classes

The corporation shall have two classes of members: voting and non-voting.

Section 13.02 Qualifications For Membership

Any Profit Corporation, Nonprofit Corporation, Government Organization, Educational Institution or other enterprise or individual is qualified to become a Member of the Corporation as long as they are willing and able to support the objectives and purposes described in Section 3.02 of these Bylaws. Only organizations may qualify as Voting Members. Individuals are eligible as non-voting members only.

Section 13.03 Membership Categories

Within each membership class, subject to provisions of law and any limitations in the Articles of Incorporation and Bylaws, the Board of Directors shall have the power to establish Categories of Membership. Likewise, the Board may establish qualifications for Membership Categories, and benefits for Members meeting those qualifications.

Section 13.04 Member Voting Rights

Each Member within the class of Voting Members is entitled to one vote on each matter submitted to a

vote by the Members. Voting at duly held meetings shall be by voice vote. Election of Directors, however, shall be by ballot.

Section 13.05 Admission To Membership

Applicants that satisfy the qualifications for membership in the Corporation shall be admitted to membership upon completion of a registration form and payment of dues set by the Board of Directors for the Membership Term. The Membership Term shall consist of 12 consecutive months.

No Member may hold more than one membership in the Corporation. The Board of Directors may adopt written guidelines, consistent with this limitation, governing the acceptance or denial of applications for membership submitted by organizations that are parents or subsidiaries of Members, or which are affiliated with Members through common ownership or control.

Section 13.06 Fees And Dues

(a) Fees charged for making application for membership in the Corporation may be specified from time to time by resolution of the Board of Directors. Such fees, if applicable, shall be payable with the application for membership.

(b) The annual dues payable to the Corporation by Members shall be in such amount as may be determined from time to time by resolution of the Board of Directors.

Section 13.07 Number Of Members

There is no limit on the number of Members the Corporation may admit.

Section 13.08 Membership Book

The Corporation shall keep a membership book containing the name and address of each Member. Termination of the membership of any Member shall be recorded in the book, together with the date of termination of such membership. Such book shall be kept at the Corporation's principal office and shall be available for inspection by any Director or Member of the Corporation during regular business hours.

The record of names and addresses of the Members of this corporation shall constitute the membership list of this corporation and shall not be used, in whole or part, by any person for any purpose not reasonably related to a member's interest as a member.

Section 13.09 Non-liability Of Members

A Member of this corporation is not, as such, personally liable for the debts, liabilities, or obligations of the corporation.

Section 13.10 Non-transferability Of Membership

No Member may transfer a membership or any right arising therefrom.

Section 13.11 Termination Of Membership

(a) **Grounds for termination.** The membership of a Member shall terminate upon the occurrence of any of the following events:

(1) Upon its notice of such termination delivered to the Chairperson or executive director of the corporation personally or by mail, such membership to terminate upon the date of delivery of the notice or date of deposit in the mail.

(2) Upon a determination by the Board of Directors that the Member has engaged in conduct materially and seriously prejudicial to the interest or purposes of the corporation.

(3) And non-payment of dues.

Upon failure to renew its membership by paying dues on or before their due date, such termination to be effective thirty (30) days after written notification of delinquency is given personally, electronically

delivered, or mailed to such Member by the Secretary of the corporation. A Member may avoid such termination by paying the amount of delinquent dues within a thirty (30) day period following the Member's receipt of the written notification of delinquency.

(b) **Procedure for Expulsion.** Following the determination that a Member should be expelled under subparagraph (a)(2) of this Section, the following procedure shall be implemented:

A notice shall be sent first-class or registered mail to the last address of the Member as shown on the corporation's records, setting forth the expulsion and the reasons. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the expulsion.

The Member being expelled shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not less than five (5) days before the effective date of the proposed expulsion. The hearing will be held by the Board of Directors in accordance with the quorum and voting rules set forth in these Bylaws applicable to the meetings of the Board. The notice to the member of his or her proposed expulsion shall state the date, time, and place of the hearing on his or her proposed expulsion.

Following the hearing, the Board of Directors shall decide whether or not the Member should in fact be expelled, suspended, or sanctioned in some other way. The decision of the Board shall be final.

Any [Member] expelled from the Corporation shall receive a refund on dues already paid. The refund shall be pro-rated based on the time remaining in the period covered by the expelled Member's dues payment.

Section 13.12 Rights On Termination Of Membership

All rights of a Member in the corporation shall cease on termination of membership as herein provided.

Section 13.13 Amendments Resulting In The Termination Of Membership

Notwithstanding any other provision of these Bylaws, if any amendment of the Articles of Incorporation or of the Bylaws of this corporation would result in the termination of all memberships or any class of memberships, then each amendment or amendments shall be effected only in accordance with provisions of law.

Article XIV. MEETINGS OF MEMBERS

Section 14.01 Place Of Meetings

Meetings of Members may be held at any location specified by the Directors. Meetings may be held in person or by telephone conferencing or by any combination of audio, video, or computer conferencing techniques.

Section 14.02 Annual And Other Regular Meetings

The Members shall meet annually at a minimum of one (1) time per calendar year for the purpose of transacting business as may come before the membership.

Section 14.03 Special Meetings Of Members

Special meetings of the Members shall be called by the Board of Directors or the Chairperson. In addition, special meetings of the Members for any lawful purpose may be called by five percent (5%) or more of the Members.

Section 14.04 Notice Of Meetings

(a) **Time of Notice.** Whenever Members are required or permitted to take action in a meeting, a written notice of the meeting shall be given by the Secretary or executive director of the corporation not less than

ten (10) nor more than ninety (90) days before the date of the meeting to each Member who, on the record date for the notice of the meeting, is entitled to vote thereat.

(b) **Manner of Giving Notice.** Notice of a Members' meeting or any report shall be given either personally or by mail or other means of electronic communication addressed to the Member at the address of such Member appearing on the books of the corporation or given by the Member to the corporation for the purpose of notice; or if no address appears or is given, at the place where the principal office of the corporation is located or by publication of notice of the meeting in a newspaper or general circulation in the county in which the principal office is located. Notice shall be deemed to have been given in the time when delivered personally or deposited in the mail or sent by electronic mail or other means of written communication.

(c) **Contents of Notice.** Notice of a membership meeting shall state the place, date, time of the meeting and (1) In the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) In the case of a regular meeting, those matters which the Board, in the time notice is given, intends to present for action by the members. Subject to any provision to the contrary contained in these Bylaws, however; any proper matter may be presented at a regular meeting for each action.

(d) **Notice of Meetings Called by Members.** If a special meeting is called by Members as authorized by these Bylaws, the request for the meeting shall be submitted in writing, specifying the general nature of the business proposed to be transacted and shall be delivered personally or sent by registered mail to the Chairperson or Secretary of the corporation. The officer receiving the request shall promptly cause notice to be given to the members entitled to vote that a meeting will be held, stating the date of the meeting. The date for such meeting shall be fixed by the Board and shall not be less than thirty-five (35) nor more than ninety (90) days after the receipt of the request. Persons calling the meeting may give the notice.

(e) **Waiver of Notice of Meetings.** The transactions of any meeting of Members, however called and noticed, and wherever held, shall be as valid as though taken in a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, each of the persons entitled to vote, not present, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Waiver of notices or consents need not specify either the business to be transacted or the purpose of any regular or special meeting of Members, except that if action is taken or proposed to be taken for approval of any of the matters specified in subparagraph (f) of this section, the waiver of notice or consent shall state the general nature of the proposal.

(f) **Special Notice Rules for Approving Certain Proposals.** If action is proposed to be taken or is taken with respect to the following proposals, such action shall be invalid unless unanimously approved by those entitled to vote or unless the general nature of the proposal is stated in the notice of meeting or in any written waiver of notice:

- Removal of directors without cause;
- Amending the Articles of Incorporation; and
- An election to voluntarily wind up and dissolve the corporation.

Section 14.05 Quorum For Meetings

A quorum shall consist of one third of the Voting Members of the Corporation.

The Members present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Members from the meeting provided that any action taken after the loss of a quorum must be approved by at least a majority of the Members required to constitute a quorum.

In the absence of a quorum, any meeting of the Members may be adjourned from time to time by the vote of a majority of the votes represented in person or by proxy at the meeting, but no other business shall be transacted at such meeting.

When a meeting is adjourned for lack of a sufficient number of Members at the meeting or otherwise, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting other than by announcement at the meeting at which the adjournment is taken of the time and place of the adjourned meeting. However, 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. A meeting shall not be adjourned for more than forty-five (45) days.

Notwithstanding any other provision of this Article, if this corporation authorizes Members to conduct a meeting with a quorum of less than one-third (1/3) of the voting power, then no action may be taken on a matter unless the general nature of the matter was stated in the notice of the regular meeting.

Section 14.06 Majority Action As Membership Action

Every act or decision done or made by a majority of voting members present in person or by proxy at a duly held meetings at which a quorum is present is the act of the Members, unless the law, the Articles of Incorporation of this corporation or these Bylaws require a greater number.

Section 14.07 Conduct Of Meetings

Meetings of Members shall be presided over by the Chairperson of the corporation or, in his or her absence, by an Interim Chairperson chosen by a majority of the voting Members present in person. The Secretary of the corporation shall act as Secretary of all meetings of Members, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

Meetings shall be governed by Roberts' Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistency with or in conflict with these Bylaws, with the Articles of Incorporation of this Corporation or with any provision of law.

Section 14.08 Action By Written Ballot Without A Meeting

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 each Member entitled to vote on the matter. The ballot shall set forth the proposed action and provide an opportunity to specify approval or disapproval of each proposal, provided that where the person solicited specifies a choice with respect to any such proposal the vote shall be cast in accordance therewith, and provide a reasonable time within which to return the ballot to the corporation. Ballots shall be mailed or delivered in the manner required for giving notice of meetings specified in Section 14.04(b) of this Article.

All written ballots shall also indicate the number of responses needed to meet the quorum requirement and, except for ballots soliciting votes for the election of directors, shall state the percentage of approvals necessary to pass the measure submitted. The ballots must specify the time by which they must be received by the corporation in order to be counted.

Approval of action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, 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.

A written ballot may not be revoked after its receipt by the corporation or its deposit in the mail, whichever occurs first.

Section 14.09 Action by Unanimous Written Consent Without Meeting

Except as otherwise provided in these Bylaws, any action required or permitted to be taken by the Members may be taken without a meeting, if all Members shall individually or collectively consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the Members.

Section 14.10 Record Date For Meetings

The record date for purposes of determining the Members entitled to notice, voting rights, written ballot rights, or any other right with respect to a meeting of members or any other lawful membership action, shall be fixed pursuant to provision of law.

Section 14.11 WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS

We the undersigned are all of the persons named as the initial directors in the Articles of Incorporation of the HR OPEN STANDARDS Consortium, Inc., and pursuant to the authority granted to the directors by these Bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing Bylaws, as the Bylaws of this Corporation.

| Member Organization | By | Signature | Date |
|---------------------|----|-----------|------|
| 1) | | | |
| 2) | | | |
| 3) | | | |
| 4) | | | |
| 5) | | | |
| 6) | | | |
| 7) | | | |
| 8) | | | |