

Amended and Restated By Laws of the Pacific  
Telecommunications Council

(as of 19 November 2008)

**ARTICLE I**  
**PRINCIPAL OFFICE, PLACE OF COUNCIL MEETINGS, AND  
ORGANIZATION**

**Section 1.**     **Principal Office.** The principal office of the Pacific Telecommunications Council (hereinafter referred to as the “Council”) shall be maintained at such place in the State of Hawaii as determined by the Board of Governors.

**Section 2.**     **Place of Meetings.** Meeting locations shall be determined by the Board of Governors.

**Section 3.**     **Organization.** The Council is organized as follows: the Council membership; the Board of Governors; the Advisory Council; and the Secretariat.

**ARTICLE II**  
**COUNCIL MEMBERSHIP**

**Section 1.**     **Composition.** Membership is open to both entities and individuals. The members of the Council are hereinafter referred to collectively as the “Members,” and each individually as a “Member.”

**Section 2.**     **Requirements for Membership.** Applicants for membership must have an interest in communications and the related aspects of the information society and economy in the Pacific area, and must agree to accept the Articles of Incorporation of the Council (the “Articles of Incorporation”) and these bylaws and their underlying principles and policies.

**Section 3.**     **Annual Dues.** Members shall be assessed annual dues as determined by the Board of Governors. Annual dues shall become due and payable upon approval of the Member’s application and thereafter as of the first day of each Council fiscal year.

**Section 4.**     **Membership Rights.** Each Member shall be entitled to one vote for each matter submitted to a vote of the Members at all meetings of Members. The right of a Member to vote shall cease upon termination of membership. Members shall be entitled to receive the following:

- A.     minutes of all Member meetings;
- B.     minutes of all meetings of the Board of Governors; provided, however, that such minutes may be edited in respect of matters of “executive session” consideration at the discretion of the Board of Governors;
- C.     minutes of all meetings of the Advisory Council;
- D.     an annual report from the Board of Governors addressing the overall state and performance of the Council; and

- E. newsletters and any other correspondence and information at the discretion of the Board of Governors.

For purposes of this Article II, Section 4, Members shall be deemed to have “received” the information described in sub-clauses (a) through (e) above if such information is made available to the Members via the official website of the Council.

**Section 5. Membership Application.** Applicants for membership must complete and submit an official application form available on request from the Secretariat. The Board of Governors shall retain the right to accept or reject any membership application in its sole discretion in accordance with applicable law.

**Section 6. Renewals.** Membership, once approved, shall be continuous until such time as the Member has resigned or been removed from membership pursuant to Article II, Section 7 hereof.

**Section 7. Resignation and Removal.** Any Member may resign from the Council by written notice to the Secretariat. Any resignation shall become effective when the notice is delivered, unless the notice specifies a later effective date. Any Member may be removed by decision of the Board of Governors. Resignation or removal shall not affect the obligation of a Member to pay the annual dues for the expired portion of the fiscal year in which the resignation or removal occurs.

**Section 8. Meetings.**

- A. **Annual Meetings.** The Board of Governors shall designate the time, place and date of the annual meeting of the Members (which shall not be more than 13 months after the date of the last annual meeting) for the election of Governors and/or Member-Elected Advisors and for the transaction of such other business as may properly come before the Members.
- B. **Special Meetings.** Special meetings of the Members may be held at the discretion of the Board of Governors.
- C. **Notice of Meetings.** The Secretariat or any person or persons designated by the Board of Governors to call for meetings of the Members shall give thirty (30) days’ advanced written notice of each proposed meeting of the Members indicating the purpose, place, day and time of the meeting; provided, however, that in the event such thirty days’ advanced written notice cannot reasonably be given to one or more Members, reasonable notice in light of the circumstances shall be provided.
- D. **Quorum.** At the annual meeting of Members, one-fifth (1/5) of the Members shall be required to be present in person or by proxy in order to constitute a quorum. At special meetings of the Members, one-fifth (1/5) of the Members shall be required to be present in person or by proxy in order to constitute a quorum, provided, however, that two-thirds (2/3) of

the total number of Governors then in office shall also be present at each special meeting of the Members.

- E. Voting. Voting on all matters shall be by ballot; provided, however, that any motion brought to the floor and duly seconded may be decided by such procedures as are determined by the Chair of the Board (as defined in Article V, Section 11 hereof) in his or her discretion. Governors and Member-Elected Advisors shall be elected by a plurality of the votes of the Members at a meeting at which a quorum is present and entitled to vote on the election of Governors and Member-Elected Advisors, respectively; provided, however, that the regional/membership category allocations for Governors as set forth in Article V, Section 2 hereof and for Member-Elected Advisors as set forth in Article VI, Section 2 hereof shall be satisfied. All other matters shall be decided by the affirmative vote of a majority of the Members at a meeting at which a quorum is present and entitled to vote on the subject matter, except as otherwise provided by law, the Articles of Incorporation or these bylaws.
- F. Proxies. A Member entitled to vote may vote in person or by proxy executed in writing by such Member or by such Member's duly authorized attorney-in-fact. No proxy shall be valid after the adjournment of the meeting to which such proxy relates, unless otherwise provided in the proxy. For purposes of these bylaws, when voting "by proxy," a Member may either (i) specifically direct how such Member's vote is to be cast by one or more agents with respect to the applicable subject matter of such vote or (ii) authorize one or more agents to cast such vote according to such agents' discretion.
- G. Participation Through Use of Communication Devices. Members may participate in a meeting of the Members by conference telephone or similar communications equipment by which all persons participating in such meeting may simultaneously communicate with each other during such meeting in a manner consistent with applicable law. A Member participating in a meeting by such means shall be deemed to be present in person at the meeting and may cast such Member's vote(s) in accordance with procedures to be determined by the Board of Governors in accordance with applicable law.

### **ARTICLE III** **AFFILIATE MEMBERS**

**Section 1.** **Definition.** Any individual or entity interested in the activities of the Council, but which is prevented from becoming a full Member because of (i) restrictions in the charter, bylaws or other legal instruments of the applicant's organization or (ii) conditions of employment or other similar circumstances, may apply to become an Affiliate Member of the Council (an "Affiliate Member"), provided that reasonably sufficient proof is presented to the Secretariat that the applicant or the applicant's

organization is not otherwise legally qualified to apply for full membership in one of the other membership categories.

**Section 2.** **Rights of Affiliate Members.** Affiliate Members shall have no voting rights but shall be entitled to receive Council publications, notices and other correspondence that may be sent to Members. Affiliate Members may attend annual meetings of the Members as observers.

**Section 3.** **Requirements.** Affiliate Members shall pay an annual fee as determined by the Board of Governors.

#### **ARTICLE IV** **AFFILIATED CHAPTERS**

**Section 1.** **Participation in the Council.** An Affiliated Chapter of the Council (an “Affiliated Chapter”) shall be established as an independently-organized, nonprofit legal entity, in compliance with the laws governing such organizations or legal entities in the jurisdiction of incorporation or formation. An Affiliated Chapter’s mission and objectives must conform to the mission and objectives of the Council.

**Section 2.** **Affiliation Requirements.** Applicants for chapter affiliation must complete and submit an official application form available on request from the Secretariat. The Board of Governors may, in its reasonable discretion as applicable on a case-by-case basis, establish chapter affiliation standards in respect of potential applicants, and shall also retain the right to accept or reject any affiliation application in its sole discretion in accordance with applicable law. In addition, each Affiliated Chapter must execute a Chapter Affiliation Agreement and a Licensing Agreement with the Council prior to its participation in the Council. Chapter Affiliation Agreements and Licensing Agreements shall be available upon request from the Secretariat.

#### **ARTICLE V** **BOARD OF GOVERNORS**

**Section 1.** **Definition.** The Board of Governors is the principal decision-making instrument of the Council and is responsible for fulfilling the objectives of the Council as stated in the Articles of Incorporation. Its primary functions include

- (i) establishing policy,
- (ii) strategic planning, and
- (iii) financial and personnel oversight. The Board of Governors shall serve in a capacity equivalent to a “Board of Directors” as described in Chapter 415B of the Hawaii Revised Statutes.

**Section 2.** **Composition.** The business and affairs of the Council shall be managed by or under the direction of the Board of Governors, which shall consist of fourteen (14) governors (each, a “Governor”) elected from the individual Members and the designated representatives of entity Members. Each Governor, whether such Governor is an individual Member or the designated representative of an entity Member, shall be elected

to the Board of Governors in his or her individual capacity and not as a representative of any entity. In the event a Governor that is the designated representative of an entity Member ceases to be affiliated with or employed by such entity during his or her term, such Governor shall nonetheless be entitled to serve out the remainder of such term, subject to the terms and conditions of these bylaws. Governors need not be residents of the State of Hawaii. Except as set forth below in this Article V, Section 2, the Board of Governors shall be comprised of a minimum of one (1) Governor and maximum of three (3) Governors from each of the following nine regional/membership categories:

Oceania (entity)	Non-profit North America (entity)
Hawaii (entity)	For profit East Asia (entity)
Central and South America (entity)	For profit North America (entity)
Southeast and South Asia (entity)	Individual Member
Non-profit East Asia (entity)	

The Board of Governors shall retain the right to determine, in its reasonable discretion, which of the above-listed regional/membership categories shall be ascribed to any jurisdiction and/or Member (or designated representative thereof), provided however that if such determination is made during the succession planning process for nominations and elections, any Governors then nominated shall be recused from such determination.

In the event that a regional/membership category (i) is not represented on the Board of Governors at the time of any election of Governors, or (ii) will not be represented on the Board of Governors due to the expiration of the class of Governors whose seats are the subject of such election, the candidate from such regional/membership category receiving the highest number of votes in such election shall automatically be elected to the Board of Governors to ensure that the minimum allocation requirement described above is met. In all other instances, Governors shall be elected based on the total number of votes duly cast for each nominee, from highest to lowest, but at all times subject to the maximum allocation requirements described above. Notwithstanding any other provision of these bylaws, in the event that a regional/membership category (i) fails to have a candidate receive at least one duly cast vote at any election of Governors, and (ii) as a consequence will not be represented on the Board of Governors after such election is completed, the minimum one seat allocated to such regional/membership category shall be filled based on the total number of votes duly cast for each nominee, from highest to lowest, but at all times subject to the maximum allocation requirements described above. The Board of Governors shall establish equitable tie-breaker procedures prior to each election of Governors. Notice of such procedures (via the official website of the Council or other reasonable means) shall be provided to the Members prior to each such election.

**Section 3.** **Classes.** The Board of Governors shall be divided as nearly equal as possible in number into three classes, designated as Group A, Group B, and Group C. If the number of Governors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of Governors in each class as nearly equal as possible, and any additional Governor of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of Governors shorten the term of any incumbent Governor.

**Section 4. Election; Term of Office; Term Limits**

- A. Election; Term of Office. At the election immediately preceding the annual meeting of the Members in 2009, four Group A Governors shall initially be elected for a term expiring at the annual meeting of the Members in 2011 and three Group B Governors shall be initially elected for a term expiring at the annual meeting of the Members in 2012. At the election immediately preceding the annual meeting of the Members in 2010, two Group B Governors shall be elected for a term expiring at the annual meeting of the Members in 2012 and five Group C Governors shall be elected for a term expiring at the annual meeting of the Members in 2013. In each of the foregoing elections, two-year terms shall be awarded first to any Governor whose term (or first of two consecutive terms) commenced in January 2008 or earlier (and, if more than one such Governor is reelected, such two-year terms shall first be awarded to such Governors reelected with the lowest number of votes), with the remaining two-year term or terms awarded to the newly-elected Governor or Governors receiving the lowest number of votes. At the election immediately preceding each annual meeting of the Members, beginning in 2011, successors to the class of Governors whose term expires at that annual meeting shall be elected for a three-year term. Each Governor shall hold office until the next annual meeting of the Members at which the term of the class to which he or she has been elected expires or until such Governor's earlier resignation, removal from office, death or incapacity.
- B. Limit on Successive Terms. In no event shall a Governor be elected to more than: (i) two successive terms on the Board of Governors, if the first of such Governor's successive terms begins in January 2009 or later, or (ii) three successive terms on the Board of Governors, if the first of such Governor's successive terms begins prior to January 2009; provided, however, that the aggregate number of terms which a Governor may serve shall not otherwise be limited by the foregoing restrictions.

**Section 5. General Obligations.** Each Governor is required to participate in at least two of the meetings of the Board of Governors each year and is expected to play an active role in the activities of the Council throughout his or her term. In the event any Governor fails to participate in any two consecutive meetings of the Board of Governors without the consent of the Board of Governors, such Governor shall be promptly removed from office.

**Section 6. Obligations in Respect of Advisory Council.**

The Board of Governors shall:

- A. give reasonable opportunity for the Advisory Council to review and provide advice regarding the development of the Strategic Plan;
- B. give reasonable opportunity for the Advisory Council to review and provide advice regarding any proposed changes to the Articles of Incorporation or these bylaws; and
- C. provide such other reports and submissions to the Advisory Council at its reasonable request (including an annual report from the President on the Council's affairs); provided, however, that the Board of Governors shall not be prohibited from taking otherwise appropriate action with respect to the subject matter of clauses (a) and (b) above in the event the Advisory Council does not provide its advice or otherwise respond to the Board of Governors in respect of such matters within a reasonable period of time.

**Section 7.** **Powers.** The Board of Governors shall have and may exercise all of the powers of the Council except those reserved to or conferred on the Members by law, the Articles of Incorporation, these bylaws or by any amendment(s) to any of the foregoing.

**Section 8.** **Removals and Resignations.** A Governor may be removed from office by a majority of the Members then entitled to vote at an election of Governors. Any Governor may resign from the Board of Governors at any time by providing written notice to the Board of Governors or the Secretariat. Any resignation shall become effective when the notice is delivered, unless the notice specifies a later effective date. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 9.** **Vacancies.** Vacancies occurring on the Board of Governors may be filled by action of the Board of Governors at any meeting of the Board of Governors held in accordance with Section 10 of this Article V; provided, however, that if the actual number of Governors then in office after a vacancy is created is less than nine (9), a special election shall be held to fill all vacancies on the Board of Governors. Any such special election shall be conducted pursuant to such procedures established by the Board of Governors in its reasonable discretion and consistent with applicable law. All vacancies filled pursuant to this Section 9, whether by special election or by action of the Board of Governors, shall conform to the regional/ membership category allocations set forth in Article V, Section 2 of these bylaws. A Governor elected or appointed to fill a vacancy pursuant to this Section 9 shall hold office until: (i) in the case of a Governor elected by special election, the next annual meeting of the Members at which the term of the class to which such Governor has been elected expires; (ii) in the case of a Governor appointed by the Board of Governors, the next annual meeting of the Members; or (iii) such Governor's earlier resignation, removal from office, death or incapacity.

**Section 10.** **Meetings.** The Board of Governors shall hold an annual meeting and at least one regular meeting, may establish additional regular meetings and may call special meetings.



- A. Annual Meeting. The Board of Governors shall hold an annual meeting at the location of and immediately following the annual meeting of the Members. No notice of such meeting to the newly elected Governors shall be necessary in order to legally constitute the meeting, provided a quorum is present.
- B. Regular Meetings. The Board of Governors shall hold at least one regular meeting in addition to its annual meeting. The Board of Governors shall endeavor to hold such regular meeting on or about the time of the Council's MidYear Seminar if possible. The Board of Governors may establish additional regular meetings in its discretion.
- C. Special Meetings. Special meetings of the Board of Governors may be called at any time by the Chair of the Board or by any four Governors subject to the notice provisions of Article V, Section 10E below.
- D. Participation Through Use of Communication Devices. Any or all Governors may participate in a meeting of the Board of Governors by conference telephone or similar communications equipment by which all persons participating in such meeting may simultaneously communicate with each other during such meeting in a manner consistent with applicable law. A Governor participating in a meeting by such means shall be deemed to be present in person at the meeting.
- E. Notice of Meetings. The Board of Governors, Secretariat or any person or persons calling for any annual, regular or special meeting of the Board of Governors shall give thirty (30) days' written notice of such meeting stating the authority for the call of the meeting and indicating the purpose, place, date and time of the meeting; provided, however, that in the event such thirty days' advanced written notice cannot reasonably be given to one or more Governors, reasonable notice in light of the circumstances shall be provided.
- F. Waiver of Notice. A Governor may waive his or her right to receive the notice required by Article V, Section 10E of these bylaws (or otherwise required by law) before or after the date and time of the meeting that is the subject of such notice. Any such waiver shall be in writing, be signed by the Governor and delivered to the Secretary of the Council for inclusion in the minutes or filing with the Council records. A Governor's attendance at a meeting shall (i) prevent such Governor from objecting to lack of notice or defective notice of the meeting, unless the Governor at the beginning of the meeting or promptly upon his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting, and (ii) prevent such Governor from objecting to the consideration of a particular matter at a special meeting that is not within the purpose or purposes described in the meeting notice, unless the Governor objects to considering the matter

when it is presented and does not thereafter vote for or assent to the matter.

- G. Quorum. A majority of the total number of Governors then in office shall constitute a quorum to transact business at all meetings of the Board of Governors.
- H. Voting. The vote of the majority of Governors present at any meeting at which there is a quorum shall be the act of the Board of Governors, except as may be otherwise specifically provided by law, the Articles of Incorporation or these bylaws. The Chair of the Board shall have a vote and in the case of a tie, shall have the deciding vote. Notwithstanding the foregoing, it is in the best interests of the Council for the Board of Governors to endeavor to act by consensus whenever reasonably possible.
- I. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Governors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by at least eighty percent (80%) of the Governors that would be entitled to vote on the subject matter of the meeting; provided, however, that written notice of any such proposed action shall be provided to all Governors in advance, and provided further that written notice of any such action shall be provided to all Members within a reasonable time after such action is so taken. Notwithstanding the foregoing, no action shall be taken by the Board of Governors without a meeting if any Governor objects in writing within a reasonable time, which shall in no event be more than twenty-four (24) hours after such written consent has been signed by the requisite number of Governors. For purposes of this Section 10.I, “writing” shall be deemed to include electronic mail, and a Governor shall be deemed to have received a message via electronic mail at the time such message is sent to such Governor’s e-mail address on record with the Secretariat.
- J. Attendance by Members. Members shall be permitted to attend meetings of the Board of Governors as observers, except in respect of those matters considered in “executive session.” A Member may not participate in a meeting of the Board of Governors unless such Member is recognized by the Chair of the Board. The Secretariat shall endeavor to provide to Members reasonable advance notice of all meetings of the Board of Governors on the official website of the Council, provided, however, that the failure to post any such notice shall in no way affect the validity of, or provide grounds for objecting to, the transaction of Council business at such meeting.

**Section 11.** **Chair of the Board of Governors.** The Board of Governors shall elect from its Governors at its annual meeting a Chair of the Board of Governors (the “Chair of the Board”). The Chair of the Board shall be elected by a vote of the majority of Governors present provided there is a quorum. The Chair of the Board shall (i) preside at

all meetings of the Members and Governors, (ii) be an *ex officio* member of the Advisory Council, and (iii) perform such other duties as the Board of Governors may duly prescribe. The Chair of the Board shall also be appointed to serve simultaneously as President of the Council. The Chair of the Board may be removed as chair by a majority of the Governors then in office.

**Section 12.** **Committees.** The Board of Governors may create and appoint such general or special committees as the affairs of the Council may require. The Board of Governors may (i) appoint the members of any committee, (ii) fill vacancies in any committee, (iii) change the size of any committee, and (iv) discharge any committee. Each committee shall exercise all powers that are conferred by the resolution appointing it, except as prohibited by law. Each committee shall make its own rules of procedure subject to approval by the Board of Governors. Each committee shall keep a written record of its acts and proceedings and shall submit that record to the Board of Governors upon request.

- A. **Board Committees.** The Board of Governors may create one or more committees comprised exclusively of two or more Governors, who shall be appointed by and serve at the pleasure of the Board of Governors. Any such committee shall have a chair and vice-chair who shall be designated by the Board of Governors, and shall also have a secretary who shall be elected by the members of the committee. A vice-chair may act simultaneously as the secretary of any such committee.
- B. **Member Committees.** The Board of Governors may create one or more working committees, in line with the Council’s charter mission, objectives and Strategic Plan, that are comprised of two or more Members on a voluntary basis (each, a “Member Committee”). Each Member Committee shall (i) provide guidance and support to the Secretariat in respect of Council activities undertaken to fulfill mission objectives and; (ii) submit regular reports to the Board of Governors and Advisory Council concerning its activities and proceedings. Each Member Committee shall have a chair, up to four (4) vice-chairs, and a secretary. The chair of each Member Committee shall be appointed by the Board of Governors and should, but is not required to, be drawn from among the Advisors. Vice-chairs shall be appointed by the Board of Governors, provided, however, that the Board of Governors shall consult with the chair of any such committee in determining the number of and appointments to such vice-chair positions. The secretary shall be elected by the members of such committee. A vice-chair may act simultaneously as the secretary of any such committee. Chair and vice-chair appointments shall be made at or about the time of the annual meeting of the Members. The chair and vice-chair(s) of any such committee shall serve in such capacity for a term of two years; provided, however, that no person shall chair the same Member Committee for more than three successive terms.

**ARTICLE VI**  
**ADVISORY COUNCIL**

**Section 1.**     **Definition.** The Advisory Council is a high-level advisory body which may provide consultation to the Board of Governors on issues significant to the Council and exercise those powers set forth in Article VI, Section 5 hereof.

**Section 2.**     **Composition.** The Advisory Council shall consist of no more than fifty (50) Advisors (each, an “Advisor”), of whom thirty-eight (38) Advisors may be elected by the Members from among the individual Members and the designated representatives of entity Members (the “Member-Elected Advisors”) and twelve (12) Advisors may be appointed by the Board of Governors in its discretion from among the individual Members, the designated representatives of entity Members, and non-Members (the “Board-Appointed Advisors”). The Board of Governors shall endeavor to fill those seats reserved for Board-Appointed Advisors with either (i) candidates from those regional/membership categories that are under-represented on the Advisory Council in light of the allocation requirements set forth in this Article VI, Section 2, or (ii) non-Member, eminent persons who in the opinion of the Board of Governors will strengthen the scope of advice provided to the Council in the fulfillment of its mission objectives; provided, however, that at no time shall more than six non-Members serve simultaneously on the Advisory Council. The Chair of the Board shall be an ex officio member of the Advisory Council. With the exception of the Chair of the Board, no Governor then in office shall be eligible to serve on the Advisory Council.

Each Advisor, whether such Advisor is an individual Member or non-Member, or the designated representative of an entity Member or non-Member, shall serve on the Advisory Council in his or her individual capacity and not as a representative of any entity. In the event an Advisor that is the designated representative of an entity Member or non-Member ceases to be affiliated with or employed by such entity during his or her term, such Advisor shall nonetheless be entitled to serve out the remainder of such term, subject to the terms and conditions of these bylaws. The Member-Elected Advisors shall be comprised as follows in respect of the following ten regional/membership categories of the Council:

<u>Membership Category</u>	<u>Maximum Number or Seats</u>
Oceania (entity)	2
Hawaii (entity)	2
Central and South America (entity)	2
Southeast and South Asia (entity)	3
Non-profit East Asia (entity)	3
Non-profit North America (entity)	3
For profit East Asia (entity)	7
For profit North America (entity)	7
Individual Member	7
Other	2

The Board of Governors shall retain the right to determine, in its reasonable discretion, which of the above-listed regional/membership categories shall be ascribed to any jurisdiction and/or Member (or designated representative thereof). Notwithstanding any other provision of these bylaws, in the event that any of the regional/membership categories listed above fails to have each of its allocated seats filled, such unfilled seats shall remain open until the next election/appointment of Advisors pursuant to the provisions of these bylaws. The Board of Governors shall establish equitable tie-breaker procedures prior to each election of Advisors. Notice of such procedures (via the official website of the Council or other reasonable means) shall be provided to the Members prior to each such election.

**Section 3.** **Classes.** The Advisory Council shall be divided as nearly equal as possible in number into two classes, designated as Group A and Group B. The Member-Elected Advisors and the Board-Appointed Advisors, respectively, shall be apportioned among the classes as nearly as equally as possible. In addition, if the total number of Advisors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of Advisors in each class as nearly equal as possible. In no case will a decrease in the number of Advisors shorten the term of any incumbent Advisor.

**Section 4.** **Election; Term of Office; Term Limits.**

- A. **Election; Term of Office.** At the annual meeting of the Members or the annual meeting of the Board of Governors in 2003, as applicable, Group A Advisors shall initially be elected or appointed, as applicable, for a term expiring at the annual meeting of the Members or the annual meeting of the Board of Governors, as applicable, in 2005, and Group B Advisors shall be elected or appointed, as applicable, for a term expiring at the annual meeting of the Members or the annual meeting of the Board of Governors, as applicable, in 2007. At every other annual meeting of the Members or every other annual meeting of the Board of Governors, as applicable, beginning in 2005, successors to the class of Advisors whose term expires at such annual meeting shall be elected or appointed, as applicable, for a four-year term. Each Advisor shall hold office until the next annual meeting of the Members or annual meeting of the Board of Governors, as applicable, at which the term of the class to which he has been elected expires or until such Advisor's earlier resignation, removal from office, death or incapacity.
- B. **No Term Limits.** There shall be no limit on the number of successive or aggregate terms served by an Advisor.

**Section 5.** **Powers.** The Advisory Council shall have the right to be consulted by, and provide advice to, the Board of Governors regarding certain matters as set forth in Article V, Section 6 of these bylaws. The Advisory Council shall also establish a succession planning process consistent with the principles set forth in Article VI, Section 11 hereof.

**Section 6.**     **Obligations.** Each Advisor is required to participate in at least one of the meetings of the Advisory Council each year and is expected to play an active role in the activities of the Council throughout such Advisor’s term. In the event any Advisor fails to participate in any two consecutive meetings of the Advisory Council without the consent of the Advisory Council, such Advisor shall be promptly removed from office.

**Section 7.**     **Removals and Resignations.** A Member-Elected Advisor may be removed from office by a majority of the Members then entitled to vote at an election of Advisors. A Board-Appointed Advisor may be removed from office by a majority of the Governors then in office. Any Advisor may resign from the Advisory Council at any time by providing written notice to the Board of Governors or the Secretariat. Any resignation shall become effective when the notice is delivered, unless the notice specifies a later effective date. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 8.**     **Vacancies.** Vacancies occurring on the Advisory Council shall not be filled until the next annual meeting of the Members or the next annual meeting of the Board of Governors, as applicable. An Advisor elected to fill any vacancy in a class whose term has not yet expired shall hold office until the next annual meeting of the Members and/or Board of Governors at which such seat on the Advisory Council expires or until such Advisor’s earlier resignation, removal from office, death or incapacity.

**Section 9.**     **Meetings.** The Advisory Council shall hold an annual meeting and at least one regular meeting, may establish additional regular meetings and may call special meetings.

- A.     **Annual Meeting.** The Advisory Council shall hold an annual meeting at the location of and immediately following the annual meeting of the Members; provided, however, that such meeting shall precede the annual meeting of the Board of Governors. No notice of such meeting to the newly elected Advisors shall be necessary in order to legally constitute the meeting, provided a quorum is present.
- B.     **Regular Meetings.** The Advisory Council shall hold at least one regular meeting in addition to its annual meeting, such regular meeting to be held at the location of and immediately preceding the regular meeting of the Board of Governors described in Article V, Section 10B of these bylaws. The Advisory Council may establish additional regular meetings in its discretion.
- C.     **Special Meetings.** Special meetings of the Advisory Council may be called at any time by the Chair of the Board subject to the notice provisions of Article VI, Section 9E below.
- D.     **Participation Through Use of Communication Devices.** Any or all Advisors may participate in a meeting of the Advisory Council by conference telephone or similar communications equipment by which all

persons participating in such meeting may simultaneously communicate with each other during such meeting in a manner consistent with applicable law. An Advisor participating in a meeting by such means shall be deemed to be present in person at the meeting.

- E. Notice of Meetings. The Advisory Council, Secretariat or any person or persons calling for any annual, regular or special meeting of the Advisory Council shall give thirty (30) days' written notice of such meeting stating the authority for the call of the meeting and indicating the purpose, place, date and time of the meeting; provided, however, that in the event such thirty days' advanced written notice cannot reasonably be given to one or more Advisors, reasonable notice in light of the circumstances shall be provided.
- F. Waiver of Notice. An Advisor may waive his or her right to receive the notice required by Article VI, Section 9E of these bylaws (or otherwise required by law) before or after the date and time of the meeting that is the subject of such notice. Any such waiver shall be in writing, be signed by the Advisor and delivered to the Secretary of the Council for inclusion in the minutes or filing with the Council records. An Advisor's attendance at a meeting shall (i) prevent such Advisor from objecting to lack of notice or defective notice of the meeting, unless the Advisor at the beginning of the meeting or promptly upon his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting, and (ii) prevent such Advisor from objecting to the consideration of a particular matter at a special meeting that is not within the purpose or purposes described in the meeting notice, unless the Advisor objects to considering the matter when it is presented and does not thereafter vote for or assent to the matter.
- G. Quorum. One-third (1/3) of the total number of Advisors then in office shall constitute a quorum to transact business at all meetings of the Advisory Council.
- H. Voting. The vote of the majority of Advisors present at any meeting at which there is a quorum shall be the act of the Advisory Council, except as may be otherwise specifically provided by law, the Articles of Incorporation or these bylaws.
- I. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Advisory Council may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by a majority of Advisors then in office or by such greater proportion of Advisors then in office that would be necessary to authorize or take such action at a duly authorized meeting at which all Advisors then in office were present.

**Section 10.** **Chair of the Advisory Council.** The Advisory Council shall elect from its Advisors at every other annual meeting, beginning at the first such meeting after the date of these bylaws, a Chair of the Advisory Council (hereinafter, the “Advisory Council Chair”), who shall hold office for a two-year term or until such Advisor’s earlier resignation, removal, death or incapacity. The Advisory Council Chair shall be elected by a vote of the majority of Advisors present provided there is a quorum. The Advisory Council Chair shall (i) be a Member, (ii) preside at all meetings of the Advisory Council, and (iii) perform such other duties as the Advisory Council may duly prescribe. In no event shall an Advisor be elected to serve in the aggregate more than two terms as Advisory Council Chair. The Advisory Council Chair may be removed as chair by a majority of the Advisors then in office.

**Section 11.** **Succession Planning Committee.** The Advisory Council shall establish a Succession Planning Committee whose purpose shall be to ensure an adequate source of appropriately qualified candidates for election to the Board of Governors and for appointment/election to the Advisory Council. The Succession Planning Committee shall be advisory in nature, and shall fulfill its objectives through:

- consultation with the Board of Governors
- consultation with the Advisory Council
- consultation with the Members and other stakeholders
- identification and mentoring of suitable candidates
- provision of advice to Members regarding the qualifications of potential appointees and candidates for elected positions

The size, composition and term of the Succession Planning Committee shall be determined by the Advisory Council in its reasonable discretion. The Succession Planning Committee shall be guided at all times by the following principles:

- (a) recognition of the nature of a voluntary membership organization with governing and advisory bodies made up of member volunteers;
- (b) the need for appointments, nominations and elections to be transparent and equitable, with defined criteria for positions to be filled by appointment and minimum criteria/qualifications for elected positions; and
- (c) the need to apprise all Members in a timely manner of the status of all elected and appointed positions and vacancies as they may occur, as well as up-to-date listings of current position-holders.

## **ARTICLE VII** **THE SECRETARIAT**

**Section 1.** **Definition.** The office of the Secretariat shall consist of employees and agents of the Council led by a Chief Executive Officer (as defined in Article VII, Section 3 below) who shall be appointed by the Board of Governors in its discretion. The Board of Governors shall determine the term and compensation for the Chief Executive Officer and shall have the power of dismissal.



**Section 2.**     **Powers.** The office of the Secretariat shall (i) administer the day-to-day affairs of the Council, (ii) coordinate and manage work with Member Committees, and (iii) perform such other duties as the Board of Governors may duly prescribe.

**Section 3.**     **Chief Executive Officer.** The Chief Executive Officer shall be the head of the Secretariat and is the primary officer charged with carrying out the strategic plans and policies of the Council as established by the Board of Governors and with managing the general operations of the Council. That shall include (i) organizing and managing the Secretariat, (ii) supervising the day-to-day operations of the Council and (iii) performing such other duties as the Board of Governors may duly prescribe.

## **ARTICLE VIII** **OFFICERS**

**Section 1.**     **Composition.** The officers of the Council shall consist of a President, at least one Vice President, a Secretary and a Treasurer. The Chief Executive Officer shall also be an officer of the Council. Other assistant and subordinate officers may from time to time be appointed by the Board of Governors in its discretion. The Chair of the Board shall simultaneously serve as President of the Council. The Vice President(s), Secretary and Treasurer shall be appointed by, from and among the Board of Governors. The offices of Secretary and Treasurer may be held by the same individual.

**Section 2.**     **Election and Terms.** Officers shall be appointed at each annual meeting of the Board of Governors and each such officer shall hold his/her office until a successor is duly appointed and qualified and takes charge of such position, or until such officer's earlier resignation, removal from office, death or incapacity.

**Section 3.**     **Resignation and Removal of Officers.** An officer may resign from such capacity at any time by giving written notice to the Board of Governors. Any resignation shall become effective when the notice is delivered, unless the notice specifies a later effective date. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any officer of the Council may be removed from such capacity at any time, with or without cause, by the Board of Governors.

**Section 4.**     **Vacancies.** The Board of Governors shall appoint a successor to fill any officer position vacated during the term for which the officer was elected, and the successor so appointed shall serve in the predecessor's position with the same title, duties and responsibilities until the next annual meeting of the Board of Governors.

**Section 5.**     **Duties Generally.** Each officer shall have the authority and shall perform the duties set forth in these bylaws or, to the extent consistent with these bylaws, incident to their offices or duly prescribed by the Board of Governors.

**Section 6.**     **President.** The Chair of the Board shall simultaneously serve as President of the Council and shall have those powers described in Article V, Section 11 hereof and such other powers as are given by law, the Articles of Incorporation, these bylaws, or by any amendment(s) to any of the foregoing, or as are conferred by the Board of Governors.

**Section 7.**     **Vice President.** Each Vice President shall have such powers and duties as may be given in these bylaws or as may be assigned by the Board of Governors. In the event of the absence or disability of the President, the duties of the President shall be performed by the Vice President designated as the President’s successor by the Board of Governors. Such Vice President shall exercise the powers and perform the duties that are assigned by the Board of Governors to the President.

**Section 8.**     **Secretary.** The Secretary of the Council shall make a record and minutes of all meetings, give such notices as are prescribed in the Articles of Incorporation and these bylaws, and keep an official record of Members in good standing.

**Section 9.**     **Treasurer.** The Treasurer of the Council shall have such powers and duties as may be assigned by the Board of Governors.

## **ARTICLE IX** **AUDITOR**

**Section 1.**     **Election.** The Board of Governors at any annual meeting, or at any special meeting called for that purpose, shall elect a person, firm or corporation engaged in the business of auditing to act as the external auditor of the Council (the “Auditor”). This election is subject to ratification by the Members.

**Section 2.**     **Disqualification.** No Member, Governor, Advisor, officer or employee shall be eligible to serve as the Auditor.

**Section 3.**     **Duties.** The Auditor shall, at least once in each fiscal year and more often if required by the Members, examine the books and records of the Council and compare the statements of the Treasurer with the books and vouchers of the Council, and otherwise make a complete audit of the books of the Council and thereafter making appropriate annual reports to the Board of Governors and the Members.

## **ARTICLE X** **EXECUTION OF INSTRUMENTS**

**Section 1.**     **Authorized Signatures.** All checks, drafts, notes, bonds, acceptances, deeds, leases and all other instruments shall be signed by such person or persons as shall be authorized for that purpose by the Board of Governors. The Board of Governors shall establish guidelines and procedures to regulate the aforesaid signing of documents and instruments and the expenditure of funds by staff and officers.

## **ARTICLE XI** **LIABILITY OF OFFICERS AND DIRECTORS**

**Section 1.**     **Exculpation.** No Governor, Advisor or officer of the Council shall be liable for acts, defaults or neglects of any Governor, Advisor or officer of the Council, or for any loss sustained by the Council, unless such acts, defaults, neglects or loss has resulted from willful misconduct or gross negligence of the Governor, Advisor or officer sought to be charged with liability.

**Section 2.**     **Insurance.** The Council shall be authorized to purchase and maintain insurance on behalf of any Agent against any liability or expense asserted against or incurred by the Agent in any such capacity or arising out of the Agent’s status as such, whether or not the Council would have the power to indemnify the Agent against such liability under Section 415B-6 of the Hawaii Revised Statutes. For purposes of these bylaws, “Agent” means any person who is or was a Governor, director, trustee, Advisor, officer, employee, or other agent of the Council, or is or was serving at the request of the Council as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor of the Council or of another enterprise at the request of the Council.

**ARTICLE XII**  
**INDEMNIFICATION**

**Section 1.**     **General.** The Council shall indemnify each person designated for indemnification by the Board of Governors for the defense of civil or criminal actions or proceedings as hereinafter provided in this Article XII, and notwithstanding any provision in these bylaws, in a manner and to the fullest extent now or hereafter permitted by the laws of the State of Hawaii.

**Section 2.**     **Non-Derivative Action.** The Council shall indemnify each person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Council) by reason of the fact that such person is or was an Agent, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Council, and, with respect to any criminal proceeding, had no reasonable cause to believe the conduct of the person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, of itself, shall not create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Council, or that the person had reasonable cause to believe that the person’s conduct was unlawful.

**Section 3.**     **Derivative Action.** The Council shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the Council to procure a judgment in its favor by reason of the fact that the person is or was an Agent, against expenses actually and reasonably incurred by the person in connection with the defense or settlement of such action if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Council. No indemnification shall be made in respect of any claim, issue or matter as to which the person shall have been adjudged to be liable for negligence or misconduct in the performance of the person’s duty to the Council unless and only to the extent that the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all

circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

**Section 4.**     **Success on the Merits.** To the extent that an Agent has been successful on the merits or otherwise in defense of a proceeding referred to in either Section 2 or Section 3 of this Article XII, or in defense of any claim, issue, or matter therein, the Agent shall be indemnified by the Council against expenses actually and reasonably incurred by the Agent in connection therewith.

**Section 5.**     **Additional Requirements for Indemnification.** Any indemnification under either Section 2 or Section 3 of this Article XII shall be made by the Council only as authorized in the specific case upon a determination that indemnification of the Agent is proper in the circumstances because the Agent has met the applicable standard of conduct set forth in Section 2 or Section 3 of this Article XII. The determination shall be made (i) by the Board of Governors by a majority vote of a quorum consisting of Governors who were not parties to the proceeding; or (ii) if a quorum is not obtainable, by independent legal counsel in a written opinion; or (iii) by the Members; or (iv) by the court in which the proceeding is or was pending upon an application made by the Council or the Agent or the attorney or other person rendering services in connection with the defense, whether or not the application by the Agent, attorney, or other person is opposed by the Council. If the foregoing determination is to be made by the Board of Governors, it may rely, as to all questions of law, on the advice of independent legal counsel.

**ARTICLE XIII**  
**FISCAL YEAR**

The fiscal year of the Council shall be July 1 through June 30.

**ARTICLE XIV**  
**PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS**

No Member, Governor, Advisor, officer or employee or member of a committee, or person connected with the Council or any other private individual shall receive at any time any of the net earnings or profits of the operations of the Council. No such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Council. All Members shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Council, whether voluntary or involuntary, the assets of the Council remaining in the hands of the Board of Governors after all debts have been satisfied, shall be transferred, conveyed, delivered and paid over exclusively to an organization which qualifies under the provisions of SECTION 501 (C) of the Internal Revenue Code and its regulations as they now exist or as they may be amended. This shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Council in effecting any of its purposes as shall be fixed by the Board of Governors.

**ARTICLE XV**  
**PROHIBITED POWERS**

No Member, Governor, Advisor, officer, agent or employee of the Council shall have the power to take any action or carry on any activity by or on behalf of the Council, not permitted to be taken or carried on by a non-profit corporation under the provisions of Chapter 415B of the Hawaii Revised Statutes, as they exist or as they may be amended.

**ARTICLE XVI**  
**PARLIAMENTARY AUTHORITY AND INTERPRETATION OF BYLAWS**

**Section 1.** **Parliamentary Authority.** All meetings of the Members and the Board of Governors shall be governed by such parliamentary procedures and rules as deemed appropriate by the Board of Governors. All meetings of the Advisory Council shall be governed by such parliamentary procedures and rules as deemed appropriate by the Advisory Council.

**Section 2.** **Interpretation of Bylaws.** All questions of interpretation of these bylaws shall be decided by the Board of Governors (which may rely, as to all questions of law, on the advice of independent legal counsel); provided, however, that written notification of all such interpretations shall be provided to the Members and filed with the Secretariat.

**ARTICLE XVII**  
**CONTRACT AND SERVICES**

The Governors, Advisors, and officers of the Council may have an interest in any contract relating or incidental to the operations of the Council, except that no loans shall be made by the Council to any Governor, Advisor or officer. Governors, Advisors, and officers of the Council (i) may freely make contracts and enter transactions either as individuals, trustees or trusts, agents for other persons or corporations or (ii) may be interested in the same matters as Members, Governors, Advisors or officers of the Council; provided, that in each case described in clause (i) or (ii) above, any contracts, transactions or acts on behalf of the Council shall (A) be at arm's length, (B) not violate the proscriptions in the Articles of Incorporation against the Council's use or application of its funds for private benefit, and (C) be set forth in a written notice to the Members. Furthermore, no contract, transaction or act shall be taken on behalf of the Council if such contract, transaction, or act is prohibited by law or would result in "self dealing" as that term is defined under SECTION 4941 (d) of the Internal Revenue Code and its regulations, as they now exist or as they may hereafter be amended.

**ARTICLE XVIII**  
**AMENDMENTS TO BYLAWS**

These bylaws may be altered, amended, added to or repealed by an affirmative vote of not less than two-thirds (2/3) of the Board of Governors present at any valid meeting; provided, however, that the regional/membership category allocations set forth in Article V, Section 2 and Article VI, Section 2 shall only be modified the Members. Notice of any proposed amendments shall have been given in writing in the call for such meeting,

subject to repeal or change by action of the Members. Written notice of any effective amendment(s) to these bylaws shall be provided to the Members.

**EFFECTIVE: March 19<sup>th</sup>, 2008**