

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**



Achievement Through Cooperative Effort

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

TABLE OF CONTENTS

ARTICLE I	Recitals and Definitions	
Section 1	Name of Corporation	1
Section 2	Corporation Is Nonprofit	1
Section 3	Specific Purpose	1
ARTICLE II	Principal Office	
Section 1	Location of Principal Office	1
ARTICLE III	Sections	
Section 1	Section Recognition	2
Section 2	Section Requirements	2
ARTICLE IV	Membership	
Section 1	Class of Membership	3
Section 2	Sustaining Members	3
Section 3	At-Large Membership	3
Section 4	Rights and Privileges of Sustaining Members	3
Section 5	Limitation of Statutory Memberships	3
Section 6	Membership Representatives	4
Section 7	Resignation	4
Section 8	Termination or Change of Membership	4
Section 9	Reinstatement	4
Section 10	Transfer of Membership	4
Section 11	Certificate of Membership	4
Section 12	Member Voting Rights	4
Section 13	Eligibility to Vote	4
Section 14	Manner of Casting Votes	5
Section 15	Proxies	5
Section 16	Action by Written Ballot Without a Meeting	6
Section 17	Majority Vote of Members Represented at Meeting Required	8
ARTICLE V	Membership Meetings	
Section 1	Place of Meeting	8
Section 2	Annual Meeting	8
Section 3	Second Regular Meetings	8
Section 4	Special Meetings	9
Section 5	Notice of Members' Meetings	9
Section 6	Quorum Requirements	11
Section 7	Adjourned Meeting	11
Section 8	Waiver of Notice or Consent by Absent Members	11
Section 9	Record Dates for Members Notice, Voting, and Giving Consents	12

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

TABLE OF CONTENTS

ARTICLE VI	Membership Rights	
Section 1	All Members	13
Section 2	Members Belonging to a Section	13
Section 3	Dissolution	13
ARTICLE VII	Board of Directors	
Section 1	General Corporation Powers	14
Section 2	Number and Qualification of Directors	14
Section 3	Term of Office; Election of Directors	14
Section 4	Removal of Directors and Filling Vacancies on the Board of Directors	15
ARTICLE VIII	Board Meetings	
Section 1	Place of Meetings; Meetings by Telephone	16
Section 2	Regular Meetings of Directors	16
Section 3	Special Meetings of the Board	16
Section 4	Attendance by Members	16
Section 5	Quorum Requirements	17
Section 6	Waiver of Notice	17
Section 7	Adjournment	17
Section 8	Action Without a Meeting	17
Section 9	Compensation	17
ARTICLE IX	Duties and Powers of the Board	
Section 1	Specific Powers	18
Section 2	Limitations on Powers	19
ARTICLE X	Committees	
Section 1	Committees of Directors	19
Section 2	Section Committees	20
Section 3	Meetings and Action of Committees	20
ARTICLE XI	Officers	
Section 1	Officers	20
Section 2	Election of Officers	21
Section 3	Subordinate Officers	21
Section 4	Removal of Officers	21
Section 5	Resignation of Officers	21

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

TABLE OF CONTENTS

ARTICLE XI	Officers	Cont
Section 6	Vacancies	21
Section 7	President	21
Section 8	Vice President	21
Section 9	Secretary	22
Section 10	Chief Financial Officer	22
Section 11	Executive Director	22
ARTICLE XII	Dues, Assessments, and Finances	
Section 1	Description of Dues and Assessments to Which Members Are Subject	22
Section 2	Checks	22
Section 3	Operating Account	23
Section 4	Other Accounts	23
Section 5	Budgets and Financial Statements	23
ARTICLE XIII	C.A.S.E. Register and Data Center	
Section 1	Publication of Electronic Release of Data	24
Section 2	Contributions of Members	24
Section 3	Member Conduct/Revision	24
Section 4	Data Center	24
ARTICLE XIV	Miscellaneous	
Section 1	Inspection of Books and Records	25
Section 2	General Manager	25
Section 3	Corporate Seal	25
Section 4	Amendment or Repeal of Bylaws	26
Section 5	Annual Statement of General Information	26
Section 6	Construction and Definitions	26
Section 7	Indemnification of Corporate Agents	26
Section 8	Insurance Relating to Liability Protection for Volunteer Directors and Officers	26
Section 9	Certificate of Secretary	26

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

**ARTICLE I
Recitals and Definitions**

Section 1 Name of Corporation

The name of this Corporation shall be Coordinating Agency for Supplier Evaluation and the corporation shall be referred to herein as the "Corporation."

Section 2 Corporation Is Nonprofit

This corporation has been formed pursuant to the California Nonprofit Mutual Benefit Corporation Law as a mutual benefit corporation.

Section 3 Specific Purpose

The specific and primary purpose of this Corporation shall be to promote the improvement of quality and the reduction costs in industry for the benefit of the membership of recognized Sections and their respective customers and sources of supplies and services. The Corporation shall be operated for the benefit of only the industries (and their respective customers and suppliers) represented by the Corporation's Sustaining Members, as hereinafter defined. To this end, the Corporation shall perform some or all of the following functions, and such other functions that promote the Corporation's purposes as are approved by the Corporation's Board of Directors from time to time:

- A. Coordinate and establish industry requirements and standard for evaluating supplier quality assurance, control systems, processes and related documentation.
- B. Accumulate, store, organize, and disseminate data in the form of electronic media, reports, periodicals, pamphlets, and other printed matter devoted wholly, or mainly to, quality assurance oriented information.
- C. Cooperate and participate in the development of new or revised techniques, policies, specifications and other documentation related to quality assurance.
- D. Promote unity, effectiveness of effort and ethical professional conduct among members in pursuit of its purpose.
- E. Provide for conferences and meetings of its members for the exchange of information, ideas and experience related to its purposes.

The Corporation shall not engage in any activities which are inconsistent with, contrary to, or prohibited by law, or release or accept any data, information or materials which are prejudicial in nature. No anti-competitive practice is contemplated or permitted.

**ARTICLE II
Principal Office**

Section 1 Location of Principal Office

The principal office of the Corporation will be located at such place within the United states as the Board may from time to time designate by resolution.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

**ARTICLE III
Sections**

Section 1 Section Recognition

The membership of the Corporation shall be divided into organizational units, each based on a general industry category, which units shall be referred to as "Sections." The two Sections in existence as of the date of adoption of these bylaws, which are hereby deemed to be fully qualified as Sections of the Corporation, are the Air Carrier Section and the Aerospace/Marine Section. Additional Sections for other industries may be established by any group of Sustaining members which the Board determines to have satisfied the requirements of Section 2 of this Article.

Section 2 Section Requirements

- A. Each Section shall have a written manual which details policies and procedures appropriate for conducting its business and which details procedures for compliance with appropriate requirements of the Bylaws.
- B. The manual specified in subparagraph (a) shall include, without limitation, provisions describing policies and procedures in the following areas, conforming to all applicable provisions of these Bylaws and applicable law:
 - 1. Membership requirements and obligations
 - 2. Selection of the Section Chairman and Vice Chairman (see Article VII, Section 2)
 - 3. Establishment of committees, among which must be an Operations Committee and a Membership Committee. Other committees may be included:
 - 4. Duties and responsibilities of committees
 - 5. Selection of Committee Chairman
 - 6. Selection of representatives to the Board (see Article VII, Section 2).
 - 7. Operating procedures as required for conducting business
- C. Each Section shall select two (2) representatives to serve on the Board of Directors, one of which shall be the Section Chairman and the other shall be the Section vice Chairman. To qualify for these positions managerial experience is preferred to support the operating requirements to conduct Section and Board business.
- D. To qualify as a new Section, a proposed Section must have written commitments to join and participate in the Section from at least three (3) Sustaining Members (including companies committed to becoming Sustaining Members in the event such a Section is approved).
- E. Voting by Section
 - Sustaining Members belonging to each Section shall have the right to vote as a Section pursuant to Section 2 of Article VI. The general rules concerning quorum and voting procedures set forth in Article IV shall apply to such votes.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

**ARTICLE IV
Membership**

Section 1 Class of Membership

This corporation shall have one (1) type of membership, namely Sustaining Members. To qualify for Membership as a Sustaining member, an applicant must request and qualify for membership in a Section as set forth in Sections 2 and 3 of this Article or must request and qualify for membership At large, as set forth in Section 4 of this Article or as defined by each Section (membership). Sustaining Members shall be the only statutory members on this Corporation under § 5056 (a) of the California Corporations Code, and are referred to herein as "Members" and their membership as membership.

Section 2 Sustaining Members

Except as provided in Sections 3 and 4 of this Article, Sustaining Membership shall be limited to firms who are members of an industry represented by a Section and who meet the membership requirements adopted by that Section. Membership requirements shall be limited to reasonable and nondiscriminatory criteria relating to the applicant firm's capability to participate, on a volunteer basis, in the Sections supplier evaluation and auditing activities. An eligible firm shall become a Sustaining Member upon approval of its membership application by the Section's Membership Committee. A Sustaining Member's failure to comply with these Bylaws or its Section's written Operating Procedures and/or Policies may be grounds for terminating its membership.

Section 3 At-Large Membership

- A. A business from an industry not associated within existing Section may apply for membership. In such cases, the Board of Directors may appoint an ad hoc committee from its representatives to review and act upon the application. This committee shall be empowered to either accept or reject the application of grant Sustaining membership status to the applicant.
- B. Granting of Sustaining Membership Status to such an applicant, or group of such applicants representing and industry, shall constitute the formation of a Section At Large. A Section At Large is understood to be a transitory group whose primary purpose is to organize its activities and gain recognition as an operating entity. Upon meeting the requirements of Section 1 of Article III, the Section At Large may be established as a Section of the Corporation.

Section 4 Rights and Privileges of Sustaining Members

Sustaining Members shall have the voting rights described in these Bylaws, and any other rights granted statutory member by law. Sustaining Members shall also have the right to receive data from their respective Section related to evaluated sources of supply published in the C.A.S.E. Electronic Data Base and the privilege of attending all meetings and conferences convened for the purpose for exchanging information and data among the Corporation's members.

Section 5 Limitation of Statutory Memberships

The Corporation may refer to other persons or entities associated as "members" even though such persons or entities are not voting members, and no such reference shall constitute anyone a member within the meaning of §5056 of the California Corporations Code unless that person or entity shall have qualified for such a voting Sustaining Membership under Section 2. No person or entity other than those qualified and designated under Section 2 shall be a member within the meaning of §5056 of the California Corporations Code.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 6 Membership Representatives

Each Sustaining Member firm shall appoint one or more representatives to represent the member in business meetings and participate in the work of the Corporation.

Section 7 Resignation

Any member may resign by filing a written resignation with the appropriate Section Chairman, or, if a Member At Large, with the President. Resignation shall be effective the date the written notice is filed.

Section 8 Termination or Change of Membership

Member's class of membership may be changed from Sustaining by written notification to the President or to a Section's Chairman by the Member. A Member may be terminated or, if appropriate, changed from Sustaining Membership by action by the Board when evidence has been obtained that the member no longer meets the requirements of this Article. With respect to Members At large, the Board may terminate any such memberships if it determines that they are not likely to lead to the formation of a Section. A Member's Sustaining membership may be terminated or changed upon a Member's failure to attend two (2) or more consecutive regular (semi-annual) membership meetings.

Section 9 Reinstatement

Membership may be reinstated by written application and approval of the Membership Committee of the applicable Section.

Section 10 Transfer of Membership

Membership in this Corporation is not transferable or assignable.

Section 11 Certificate of Membership

Each member firm of this Corporation, upon acceptance in accordance with these Bylaws, shall be entitled to receive a Certificate of Membership to be signed by the Section Membership Committee Chairman. The Certificate of Membership shall entitle the member to participate in the Corporation affairs in accordance with the conditions of these Bylaws. Certificates of Membership shall not constitute Membership Certificates under §7313 of the California Corporations Code, or any successor provisions.

Section 12 Member Voting Rights

On each matter submitted to a vote of the Members, whether at a meeting of the membership called and held pursuant to the provisions of these Bylaws or otherwise, each Sustaining member shall be entitled to cast one vote.

Section 13 Eligibility Vote

The persons entitled to vote at any meeting of members shall be those persons who are Sustaining Members in good standing as of the record date determined in accordance with Section 9 of Article V hereof. In order to be in good standing, a Member must be current in the payment of all dues and assessments duly imposed pursuant to Article XII, Section 1 hereof.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 14 Manner of Casting Votes

- A. Voting at a meeting or by Written Ballot
Voting may be by voice, show of hands or by ballot, either cast by members in person or by proxy at a meeting or by written ballot solicited in accordance with Section 751 of the California Corporations Code and Section 16 of this Article IV. The vote on any other issue properly before a meeting of the Members shall be conducted by secret ballot when determined by the chairman of the meeting, in his or her discretion, or when requested by ten (10%) percent of the voting power present at the meeting.
- B. Proxies permitted
Members otherwise eligible to vote at a meeting may do so in person or by proxy. Proxy voting shall be further subject to the provisions of Section 15 below.
- C. Ballots in Director elections
Any ballot used in the election of Directors shall set forth the names of the candidates whose names are known to be in nomination at the time the ballot is issued. The ballot shall also provide a space where the Member can designate a vote for another candidate (a "write-in" candidate). These ballots shall be mailed to all Members no more than 35 days and no later than 20 days prior to the date set for the election and shall be returned to the Secretary of the Corporation no later than the date set for the meeting at which the election will take place.

Section 15 Proxies

- A. Proxies Generally
Any member entitled to vote may do so either in person or by one or more agents authorized by a written proxy signed by the member and filed with the Secretary of the Corporation. No proxy shall be valid for a term in excess of eleven (11) months from the date of issuance. Proxy forms shall be dated to assist in verifying their validity.
- B. Effectiveness of Proxies
Every proxy continues in full force and effect until revoked by the issuing Member prior to the vote pursuant thereto. Any proxy issued hereunder shall be revocable by the person executing such proxy at any time prior to the vote pursuant thereto, by:
 - i. Delivery to the Secretary of a written notice revocation
 - ii. A subsequent proxy executed by the Member executing the proxy and presented to the meeting, or
 - iii. As to any meeting, by attendance at such meeting and voting in person by the Member executing the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmarks contained on the envelopes in which they are mailed. A proxy shall be deemed revoked when the Secretary shall receive actual notice of the death or judicially declared incompetence of the Member issuing the proxy, or upon termination of such Member's status as such.
- C. Validity of Proxies With Respect to Certain Material Transactions
Any proxy given with respect to any of the matters described in this subparagraph (c) shall be valid only if the proxy form sets forth a general description of the nature of the matter to be voted on. The matters subject to these requirements is:
 - i. Removal of Directors without cause;
 - ii. Filling of vacancies on the Board;
 - iii. Approval of contracts or transactions between the Corporation and one or more of its directors, or between the Corporation and a corporation, firm, or association in which one or more of its directors has a material financial interest;
 - iv. Amendment of the Articles of Incorporation of these Bylaws;

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

- v. Sale, lease, exchange, transfer, or other disposition of all or substantially all of the Corporation's assets otherwise than in the regular course of the Corporation's activities;
- vi. Merger of the Corporation or an amendment to an agreement of merger; or
- vii. Voluntary dissolution of the Corporation.

In addition to the foregoing, if the Corporation has 100 or more Members, any form of proxy distributed to ten (10) or more Members shall afford an opportunity, on the proxy form, to specify a choice between approval and disapproval of each matter, or group of related matters, intended, at the time the proxy is distributed, to be acted upon at the meeting for which the proxy is solicited, and shall provide, subject to reasonable conditions, that where a Member has specified a choice the vote shall be cast accordingly.

D. Limited Proxies

- i. If the form of proxy lists one or more matters to be acted upon and the issuer of the proxy has specified a choice with respect to any such matter (including a preference in voting for candidates for election to the Board), the proxy holder shall be obligated to cast the vote represented by the proxy in accordance with the issuer's designated preference.
- ii. Without limiting the foregoing, in any election of Directors any form of proxy in which the Directors to be voted upon are named therein as candidates, and which is marked by a Member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of Directors is withheld shall not be voted either for or against the election of a Director. If any proxy issued in connection with the election of Directors is marked so as to direct the proxy holder to vote the proxy for a specified candidate or candidates, the proxy holder shall vote in accordance with the directions of the proxy issue.

E. Limitation on Rights or restrict or Eliminate Proxy Rights.

No amendment of the Articles or Bylaws repealing, restricting, or expanding proxy rights may be adopted without approval by the affirmative vote of majority of the voting power of Members represented and voting at a duly held meeting at which a quorum is present, or the affirmative vote of a majority of the voting power of Members by written ballot as provided in Article IV, Section 16 hereof.

Section 16 Action by Written Ballot Without a Meeting

A. Written Ballots Generally

Any matter or issue requiring the vote of the members, including the election of directors, may be submitted to the Members for approval by written ballot without the necessity of calling a meeting of Members, so long as the requirements for action written ballot set forth in this Section 16 are satisfied. The determination to seek Member approval for Association action in this fashion shall be made by a majority vote of the Board or by Members possessing five (5%) percent of the total voting power of the membership signing a written request and delivering this request to the President, Vice President, or Secretary.

B. Balloting Time Requirements

i. Director Elections

In the case of absentee ballots used in the election of Directors, the ballots shall be mailed to all Members who are eligible to vote not more than 35 days prior to such date. Subject to subparagraph (iii) below, the balloting period shall conclude on the date established for the annual meeting (Article V, Section 2) in the case of any regular election of Directors or on the date established for any special meeting convened to elect a Director(s) to fill a vacancy (Article VII, Section 3).

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

- ii. Other Matters
In the case of any other matter or issue submitted to the members for approval by written ballot, the Board shall establish a record date (see Article V, Section 9 (b)(iii) hereof) and distribute the written ballots are to be received to be counted.
 - iii. Extension of the Balloting Period
The time fixed for the return of written ballots may only be extended if the Board so notifies the Members in the balloting materials originally sent to Members and then for no more than two (2) successive periods of thirty (30) days each. Notwithstanding the foregoing, the time fixed for return of absentee ballots in Director elections shall at all times coincide with the date of the meeting called for the election of Directors, unless the meeting is duly adjourned without the conclusion of the election process, in which case the absentee balloting period may be extended to the date the adjourned meeting is reconvened.
- C. Content of Written Ballots
- i. Director Elections
Written ballots used in any election of Directors shall set forth the names of the candidates whose names have been placed in nomination at the time the ballot is issued. The ballot form shall also provide a space where the member can designate a vote for another (write-in) candidate.
 - ii. Other Matters
Any written ballot distributed to the Members to vote on any issue other than the election of Directors shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposal.
 - iii. Time for Return of Written Ballot
All written ballots shall provide a reasonable time within which to return the written ballot to the Association and shall state, on the face of the ballot, the date by which the written ballot must be returned in order to be counted.
- D. Requirements for Valid Action
- Approval by written ballot shall be valid only when;
- i. The number of votes cast by ballot within the time period specified equals or exceeds the quorum (as specified in Article V, Section 6), that would have been required to be present at a membership meeting if such a meeting had been convened to vote on the proposal, and
 - ii. The number of approvals equals or exceeds the number of affirmative votes required to approve the action at a membership meeting.
- E. Solicitation Rules Generally
- i. Written ballots shall be solicited in a manner consistent with the requirements of Article V, Section 5, pertaining to the issuance of notice of Members' meetings. All solicitations of written ballots shall:
 - a. Indicate the number of responses needed to meet the quorum requirement for said action;
 - b. The time by which the written ballot must be received by the Corporation in order to be counted; and
 - c. In the case of any written ballot distributed to vote on matters other than the election of Directors, the percentage of affirmative votes necessary to approve the measure submitted for membership approval. The ballot must set forth the proposed action, provide an opportunity to indicate approval or disapproval of any proposal and provide reasonable time to return the ballot to the Corporation.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

ii. Director Elections

Any solicitation materials accompanying written ballots distributed in Director elections shall advise the Members that their ballots may either be returned by mail to the Corporation's designate specified thereon or if the Member attends the meeting in person, be provided to that individual at the meeting.

F. Notification of Results of Balloting Process

Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote within thirty (30) days following the close of the balloting process and tabulation of the ballots. In the case of an election of Directors conducted by written ballot, the Board shall also notify those Members present at the meeting of the results of the election immediately upon conclusion of the balloting process. If the number of written ballots cast with respect to any matter is insufficient to constitute a quorum, the Board shall so notify the Members.

G. Prohibition Revocation

Once cast, a written ballot may not be revoked.

H. Conduct of Informational Meetings

Use of the written ballot procedures provided herein shall not preclude the Corporation from also conducting informational meetings of the Members or from scheduling a membership meeting to coincide with the culmination of the balloting period.

Section 17 Majority Vote of Members Represented at Meeting Required.

If a quorum is present, the affirmative vote of the majority of the voting power of Members represented at the meeting, entitled to vote and voting on any matter shall be the act of the Members, unless the vote of a greater number is required by California's Nonprofit Corporation Law or by the Articles of Incorporation or Bylaws of the Corporation.

**ARTICLE V
Membership Meetings**

Section 1 Place of Meeting

The meetings of the Members shall be at such place and at such time as may be designated by the Board in the notice of the meeting.

Section 2 Annual Meeting

There shall be two meetings of the Members per year. There shall be an annual meeting of the Members in the spring of each year. The date, time, and location of the meeting shall be set forth in the notice of the meeting sent to the Members in accordance with Section 5, below, at a time and place announced not later than February each year.

Section 3 Second Regular Meetings

In addition to the annual meeting, there shall be a regular meeting of the Members in the fall of each year on a day and at a time and place determined by the Board, which shall be announced no later than August of each year.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 4 Special Meetings

A. Persons Entitled to Call Special Meetings

A majority of the Board, the President or five (5%) percent or more of the Members may call special meetings of the Members at any time to consider any lawful business of the Corporation. When only business requiring the attention or vote of a Section is proposed, then a special meeting may be called by any of the foregoing, or by twenty (20%) percent of that Section's Members, or by the Chairman of that Section.

B. Procedures for Calling Special Meetings Requested by Members

If a special meeting is called by Members other than the Board of Directors, President, or Chairman of a Section, the request shall be submitted by such Members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the President, Vice President, or Secretary of the Corporation. The officer receiving the request shall cause notice to be promptly given to the Members entitled to vote, in accordance with the provisions of Section 5 of this Article V, that a meeting will be held, and the date, time, and purpose for such meeting, which date shall be not less than thirty-five (35) not more than ninety (90) days following the receipt of the request. If the notice is not given within the 20 days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board of Directors or the President.

Section 5 Notice of Members' Meetings

A. Generally

All notices of meetings of Members (whether regular or special) shall be sent or otherwise given in writing to each Member who, on the record date for notice of the meeting (as provided in Section 9 of this Article V) is entitled to vote at the meeting, in accordance with subparagraph (c) of this Section 5, not less than fifteen (15) days before the date of the meeting. The notice shall specify the place, date, and hour of the meeting and:

- i. In the case of a special meeting, the general nature of the business to be transacted, and no other business may in that case be transacted, or
- ii. In the case of a regular meeting, those matters which the Board of Directors, at the time of giving the notice, intends to present for action by the Members; but any proper matter may be presented at the meeting for such action so long as a quorum is present. The notice of any meeting at which Directors are to be elected shall include the names of all those individuals who are nominees at the time the notice is given to the Members.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

B. Special Notice Rules for Certain Material Transactions

If action is proposed to be taken at any meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice stated the general nature of the proposal(s);

- i. Removing a Director without cause
- ii. Filling vacancies on the Board of Directors under those circumstances where a vote of the Members is required pursuant to Article VII, Section 4 of these Bylaws;
- iii. Amending the Articles of Incorporation of the Corporation or these Bylaws in any manner requiring approval of the Members.
- iv. Approving a contract or transaction between the Corporation and one or more of its directors, or between the Corporation and any corporation, firm or association in which one or more of its directors has a material financial interest
- v. Voting upon any election to voluntarily terminate and dissolve the Corporation.

C. Mailing of Notice

Notice of any meeting of Members shall be given either personally or by first-class mail, or other electronic communication, charges prepaid, addressed to each Member either at the address of that Member appearing on the books of the Corporation or the address given by the Member to the Corporation for the purpose of notice. If for any reason notice is given by mail and the notice is not given by first-class, registered or certified mail the notice shall be given not less than twenty (20) days before the other has been given, notice shall be deemed to have been given if either;

- i. Notice is sent to that Member by first-class mail or other electronic communication to the Corporation's principal office, or
- ii. Notice is published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at that time when delivered personally or deposited in the mail or sent by electronic or other means of written communication.

D. Affidavit of Mailing; Effect Thereof

An affidavit of the mailing or other means of giving any notice of any Members' meeting may be executed by the Secretary or the assistant secretary of the Corporation, and if so executed, shall be filed and maintained in the minute book of the Corporation. Such affidavit shall constitute prima facie evidence of the giving of notice.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 6 Quorum Requirements

- A. Fifty One (51%) percent of the voting power of members, represented in person or by proxy, shall constitute a quorum for the transaction of business at a meeting of the Members. At a meeting of Members of a Section at which a Section vote is to be taken, fifty one (51) percent of the Section's Members shall constitute a quorum.
- B. The Members present at a duly held meeting at which a quorum is initially present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.
- C. The quorum rules of subparagraph (a), above, shall also apply to the conduct of written ballot voting pursuant to Article IV, Section 18, above.

Section 7 Adjourned Meeting

Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned to another time and/or place (but not for more than forty five (45) days) by vote of the majority of Members represented at the meeting, either in person or by proxy. Provided that a quorum is initially present at the reconvened meeting. The reconvened meeting may take any action which might have been transacted at the original meeting. When a members' meeting is adjourned to another time or place, notice need not be given of the new meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Notwithstanding the foregoing, if after adjournment a new record date is fixed for notice of voting, a notice of the rescheduled meeting must be given to each Member who on the record date for notice of the meeting is entitled to vote at the meeting.

Section 8 Waiver of Notice or Consent by Absent Members

A. Waiver and Consents, Generally

If decisions are made by the Members at a meeting where a quorum is present, but for which proper notice was not given to all Members for whatever reason, the decisions made at that meeting will be valid if, either before or after the meeting, each Member entitled to vote who was not present at the meeting in person or by proxy consents to the meeting by signing;

- i. A written waiver of notice,
- ii. A consent to holding the meeting, or
- iii. An approval of the minutes.

The waiver of notice need not specify the purpose of general nature of business to be transacted at such meeting unless action is taken or proposed to be taken on matters specified in Section 5 (b) of this Article V, in which case, the waiver of notice must state the general nature of the matter. All such waivers, consents, or approvals shall be filed with the Corporation records or be made part of the minutes of the meeting.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

B. Effect of Attendance at Meeting

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person attends the meeting for the sole purpose of objecting at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Attendance at a meeting is not a waiver of any right to object to the consideration of matter not included in the notice of the meeting which are required to be described therein pursuant to Section 5 (b) of this Article V, if that objection is expressly made at the meeting.

Section 9 Record Dates for Member Notice, Voting, and Giving Consents

A. Record Dates, Generally

For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting or exercise any rights in respect to any other lawful action, the Board of Directors may fix, in advance, a "Record Date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Nonprofit Mutual Benefit Corporation Law. The record dates established by the Board pursuant to this section shall;

- i. In the case of determining those Members entitled to notice of a meeting, not be more than ninety (90) nor less than fifteen (15) days before the date of the meeting;
- ii. In the case of determining those Members entitled to vote at a meeting, not be more than sixty (60) days before the date of the meeting/
- iii. In the case of determining Members entitled to cast written ballots, not be more than sixty (60) days before the date on which the first written ballot is mailed or solicited; and
- iv. In the case of determining Members entitled to exercise any rights in respect to other lawful action, not be more than sixty (60) days prior to the date of such other action.

B. Failure of Board to Fix a Record Date

i. Record date for Notice of Meetings

Unless fixed by the Board, the record date for determining those Members entitled to receive notice of a meeting of Members, shall be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.

ii. Record Date for Voting

Unless fixed by the Board, the record date for determining those Members entitled to vote at a meeting of Members shall be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting.

iii. Record date for Action by Written Ballot Without Meeting

Unless fixed by the Board, the record date for determining those Members entitled to vote by written ballot on proposed Corporation actions without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written ballot is mailed or solicited. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

iv. Record Date for Other Lawful Action

Unless fixed by the Board, the record date for determining those Members entitled to exercise any rights in respect to any other lawful action shall be members at the close of business on the day on which the Board adopts the resolution relating thereto, or the sixtieth (60th) day prior to the date of such other action, whichever is later.

C. "Record Date" Means as of Close of Business

For purposes of this Section 9, a person holding membership as of the close of business on the record date shall be deemed the Member of record.

**ARTICLE VI
Membership Rights**

Subject to these Bylaws, the Members shall have the following rights:

Section 1 All Members

Approval of the Members of the Corporation, voting at large and not in Sections, shall be required before the Corporation may take the following actions:

- The disposition of all or substantially all of the assets of the Corporation;
- Any merger and its principal terms and any amendment of those terms;
- Any election to dissolve the Corporation, except in the circumstances set forth in Section 8610 (b) of the California Corporations Code; and
- Amendments to these Bylaws as provided in Section 4 Article XIV hereof.

In addition, Members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law.

Section 2 Members Belonging to a Section

Approval of the Members belonging to a particular Section is required for the following actions:

- A Election of the Section's Chairman and Vice Chairman, who shall be the Section's two representatives on the Board under Section 2 of Article VII.
- B When call for Section approval is made by either:
 - i. The Board
 - ii. The Chairman of the Section, or
 - iii. By petition to the President by twenty (20%) percent of Members belonging to the Section:
 - a. Adoption of a new Section policies and procedures manual, or adoption of amendments to such manual,
 - b. Adoption of a new membership criteria for Sustaining or Associate Members of a Section.

Section 3 Dissolution

No part of the revenue of this Corporation shall ever insure to the benefit of any private member or individual and none of the assets or property of this Corporation shall ever be distributed to its members, except that in the event of the dissolution of this Corporation all of its assets and property in excess of its debts and liabilities shall be distributed in equal shares to the Corporation's Sustaining Members in good standing.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

**ARTICLE VII
Board of Directors**

Section 1 General Corporation Powers

Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law and any limitations in the Articles and these Bylaws relating to action required to be approved by the Members (or Members of a Section), the business and affairs of the Corporation shall be vested in and exercised by, the Corporation's Board of Directors. Subject to the limitations expressed in Article X, Section 1, the board may delegate the management of the activities for the Corporation to any person or persons, management company or committee, provided that notwithstanding any such delegation the activities and affairs of the Corporation shall continue to be managed and all Corporate powers shall continue to be exercised under the ultimate direction of the Board.

Section 2 Number and Qualifications of Directors

The Board of Directors consists or representatives of Section Members in good standing, provided that two directors shall be added to this number for every new Section established and two shall be subtracted for each Section dissolved. Two (2) members of the Board shall be elected by the Members of each Section. These positions shall be known as the Chairman and Vice Chairman of the Section. The other members of the Board shall be the Corporation's President, Vice President, Secretary, and Treasurer. The Section chairman shall be entitled to vote, with the President voting only for the purpose of a tie vote. The Directors who are Section vice Chairmen shall be entitled to vote only as alternates in the absence of that Section's Chairman. Section Chairman will be prohibited to vote on issues that could effect financial gain of their company.

Section 3 Term of Office; Election of Directors

The election of the Board of Directors shall be conducted at the first annual meeting of the Corporation, at which time all Members of the Board to be elected by the members shall be elected. At the annual meeting two (2) years after the first, and every two years thereafter at the annual meeting, the Members shall elect Directors for a term or two years to replace those Member-elected directors whose terms are then expiring. There shall be no limitation upon the number of consecutive to which a Director may be re-elected. Each Director, including a Director elected to fill a vacancy or elected at a special meeting of Members, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified. Any Member present at a meeting at which Directors are to be elected, in person or by proxy, may place names in nomination for Board (Chairman of Vice Chairman) positions in that Member's Section. The Board of Directors may by resolution establish additional nomination procedures. If for any reason the annual meeting is not held or the Directors are not elected at any second annual meeting, the Directors may be elected at any special meeting held for that purpose.

Upon adoption of these Bylaws, the Members of the Executive Committee of the unincorporated association which is the predecessor to the Corporation shall serve as the Corporation's Directors until the first Annual meeting of the Corporation.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 4 Removal of Directors and Filling Vacancies on the Board of Directors

A. Vacancies, Generally

A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following:

- i. The death, resignation or removal of a director pursuant to subparagraphs (d) and (e) hereof;
- ii. An increase of the authorized number of Directors; or
- iii. The failure of the Members, at any meeting of Members at which any director or Directors are to be elected, to elect the number of Directors to be elected at such meeting.

B. Resignation of Directors

Except as provided in this subparagraph, any Director may resign, which resignation shall be effective on giving notice to the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective.

C. Filling of Vacancies

In Director positions held by virtue of the Director's status as an officer, vacancies shall be filled in accordance with Article VI, Section 6. In all other cases, when a Director is removed from office, his or her position shall be filled by the appropriate Section, conducted at a duly held meeting at which a quorum is present or by written ballot.

D. Authority of the Board to Remove Directors

The Board of Directors shall have the power and authority to remove a Director and declare his or her office vacant if he or she has:

- i. Been declared of unsound mind by a final order of court;
- ii. Been convicted of a felony;
- iii. Been found by a final order or judgment of any court to have breached any duty under Sections 7230 through 7238 of the California Nonprofit Mutual Benefit Corporation Law (relating to the standards of conduct of Directors).

E. Removal of Directors Elected By Section

Except as otherwise provided in the immediately preceding subparagraphs, any Director elected to office solely by the votes of Section Members may only be removed from office by the vote of more than fifty (50%) percent of such Section's Members conducted at a duly held meeting or by written ballot.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

**ARTICLE VIII
Board Meetings**

Section 1 Place of Meetings; Meetings by Telephone

Regular and special meetings of the Board of Directors may be held at any place that has been designated from time to time by resolution of the Board and stated in the notice of the meeting. Notwithstanding the above provisions of this Section 1, a regular or special meeting of the Board may be held at any place consented to in writing by all the Board Members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting.

Section 2 Regular Meetings of Directors

Immediately before or after each annual meeting of Members at which new Directors are elected, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Before or after each annual meeting and each regular fall meeting of the Members, the Board shall hold a regular meeting.

Section 3 Special Meetings of the Board

A. Who may call a Special Meeting

Special meetings of the Board of Directors for any purpose may be called at any time by the President of any two (2) Directors.

B. Notice of Special Meetings

i. Manner of Giving

Notice of the time and place of special meetings of the Board shall be given to each Director by one of the following methods:

- a. By personal delivery of written notice;
- b. By first-class mail, postage prepaid;
- c. By telephone communication, either directly to the Director or to a person at the Director's home or office who would reasonably be expected to communicate such notice promptly to the Director; or
- d. By electronic media charges prepaid.

All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Corporation. Notice of a meeting need not be given to any Director who signed a written waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, as more particularly provided in Section 6 of this Article VIII.

ii. Time Requirements

Notices sent by first-class mail shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

iii. Notice Contents

Notices sent by first-class mail shall state the date, time, and place of the meeting.

Section 4 Attendance by Members

All meetings of the Board shall be open to Members of the Corporation; provided, however, that non-director Members may only participate in deliberations or discussions of the Board when expressly authorized by a vote of a majority of a quorum of the Board; and provided further that the Board shall be entitled to adjourn at any time for purposes of reconvening in executive session to discuss litigation in which the Corporation is or may become a party, personnel matters or business of a similar nature. Prior to adjourning into an executive session, to topic(s) to be discussed in such session shall be announced, in general terms, to the Membership attendance at the meeting.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 5 Quorum Requirements

A majority of the authorized number of voting Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 7 of this Article VIII. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors below a quorum, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 6 Waiver of Notice

The transaction of any meeting of the Board of Directors, however called and noticed or where ever held, shall be as valid as though taken at a meeting held after regular call and notice, if:

- A. A quorum is present, and
- B. Either before or after the meeting, each of the Directors not present, individually or collectively, sign a written waiver of notice, a consent to holding the meeting, or an approval of the minutes.

The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the Corporation records or made a part of the minutes of the meeting and shall have the same force and effect as a unanimous vote of the Board. The requirement of notice of a meeting shall also be deemed to have been waived by any Director who attends the meeting without protesting before or at its commencement about the lack of notice.

Section 7 Adjournment

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place or may adjourn for purposes of reconvening in executive session to discuss and vote upon personnel matters, litigation in which the Corporation is or may become involved and orders of business of a similar nature; provided, however, that adjournment to executive session can only be effected by approval of a majority of a quorum of the Board. The nature of any matter to be considered in executive session must first be announced in open session. If the meeting is adjourned for more than twenty four (24) hours, notice of adjournment to any other time and place shall be given prior to the time of the adjourned meeting to the Directors who are not present at the time of the adjournment. Except as herein above provided, notice of adjournment need not be given.

Section 8 Action Without a Meeting

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent of consents shall be filed with the minutes of the proceedings of the Board.

Section 9 Compensation

Directors, Officers, and Members of committees shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as may be determined by resolution of the Board of Directors to be just and reasonable.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

**ARTICLE IX
Duties and Powers of the Board**

Section 1 Specific Powers

Without prejudice to the general powers of the Board of Directors set forth in Article VII, Section 1, and subject to the limitations described in Section 2, the Directors shall have the power to:

- A. Exercise all powers vested in the Board under the laws of the State of California
- B. Appoint and remove all officers of the Corporation and other Corporation employees; prescribe any powers and duties for such persons that are consistent with law, the Articles of Incorporation and these Bylaws.
- C. Appoint such agents and employ such other employees, including attorneys and accountants, as it sees fit to assist in the operation of the Corporation, and to fix their duties and to establish their compensation.
- D. Adopt and establish rules and regulations governing the affairs and activities of the Corporation, and take such steps as it deems necessary for the enforcement of such rules and regulations, including the imposition of monetary penalties and/or the suspension of voting rights; provided notice and a hearing are provided as more particularly set forth in Section 7341 of the California Corporations Code.
- E. Enforce all applicable provisions of these Bylaws.
- F. Contract for and pay premiums for insurance and bonds (including indemnity bonds) which may be required from time to time by the Corporation.
- G. Pay all taxes, and charges which are or would become a lien on any portion of the Corporation's properties.
- H. Contract for and pay for repair or reconstruction of any portion or portions of the Corporation's properties which have been damaged or destroyed and which are to be repaired or rebuilt.
- I. Delegate its duties and powers hereunder to the officers of the Corporation or to committees established by the Board, subject to the limitations expressed in Section 1 of Article X hereof.
- J. Levy and collect dues and assessments from the Members of the Corporation in accordance with Article XII hereof.
- K. Prepare budgets and maintain a full set of books and records showing the financial condition of the affairs of the Corporation and at no greater than annual intervals prepare an annual financial report.
- L. Appoint such other committees as it deems necessary from time to time in connection with the affairs of the Corporation in accordance with Article X hereof.
- M. Open bank accounts and borrow money on behalf of the Corporation and designate the signatories to such bank accounts.
- N. Bring and defend actions on behalf of more than one Member of the Corporation to protect the interests of the Members or the Corporation, as such, so long as the action is pertinent to the operations of the Corporation, and assess the Members for the cost of such litigation.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 2 Limitations on Powers

- A. Without the vote or written assent of a majority of the voting power of the Members, the Board of Directors shall not take any of the following action:
 - i. Authorize or permit any officer to incur any single expense, other than an expense associated with the Corporation's biannual conferences or with operation of the Corporation's data center, in an amount exceeding twenty five (25%) percent of the amount by which the Corporation's liquid assets exceed its liabilities.
 - ii. Pay compensation to members of the Board of Directors or officers can be reimbursed for reasonable out of pocket expenses pursuant to Section 9 Article VIII, verified in writing, incurred in the discharge of their duties.

- B. All expenditures must be approved, either in the form of a budget proposal or a specific expenditure proposal, by the unanimous vote of the Board.

**ARTICLE X
Committees**

Section 1 Committees of Directors

The Board may, by resolution adopted by a majority of the voting Directors then in office, designate one or more committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board. Such committees of the Board shall have all the authority of the Board with respect to matters within their area of assigned responsibility, except that not committee, regardless of Board resolution, may:

- A. Take any final action on any matter which, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the Members.
- B. Fill vacancies on the Board of Directors or on any committee which has been delegated any authority of the Board.
- C. Amend or repeal Bylaws or adopt new Bylaws. Membership approval required for all changes.
- D. Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable.
- E. Appoint any other committees of the Board of Directors or the Members of those committees.
- F. Expend Corporation funds to support a nominee for Director after there are more people nominated for Director than can be elected.
- G. Approve any transaction.
 - i. To which the Corporation is a party and one or more Directors have a material financial interest; or
 - ii. Between the Corporation and one or more of its Directors or between the Corporation or any person in which one or more of its Directors have a material financial interest.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 2 Section Committees

- A. There shall be an Operations Committee of each Section, which shall not have the authority of the Board. The Operations Committee of each Section shall be comprised of the Chairman and Vice Chairman of Section and the Chairman of each Section Standing Committee. The Operations Committee shall subject to the direction of the Board, manage the supplier evaluation and audit coordinating functions of the Section and shall coordinate and supervise the activities of the Section Standing Committees.
- B. There shall be Standing Committees of each Section which shall include:
- i. A Membership Committee, which shall develop criteria for membership and consider membership application, and;
 - ii. Such other committees as may be established by the Chairman of the Section, such as, by way of example only,
 - A Promotions Committee
 - An Audit and Compliance Committee
 - A Source Certification Committee, and
 - A Material Committee.The Operations Committee of each Section shall oversee the work of each Standing Committee.
- C. The Operations Committee of each Section shall be responsible to develop and recommend to the Board the adoption of the Section's policy and procedures manual, standards for evaluating suppliers and vendors, procedures for the collection and dissemination of vendor and audit data and Membership criteria, and procedures for the selection of Standing Committee Chairmen and Membership.

Section 3 Meetings and Action of Committees

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Article VIII of these Bylaws, concerning meetings of Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meeting of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Corporate records. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the government of any committee.

**ARTICLE XI
Officers**

Section 1 Officers

The officers of the Corporation shall be a President, Vice President, a Secretary and a Chief Financial Officer, who shall be referred to elsewhere herein as the "Treasure." The Corporation may also have, at the discretion of the Board, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 following. One person may hold two (2) or more offices, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as President.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 2 Election of Officers

The officers of the Corporation and such officers as may be appointed in accordance with the provisions of Section 3 and 5 following, shall be chosen biannually by majority vote of the Board at its first regular meeting following the annual meeting of the Members at which Directors are elected, and each shall hold his or her office until he or she shall resign or shall be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified.

Section 3 Subordinate Officers

The Board may appoint, and may empower the President to appoint, such other officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws and as the Board may from time to time determine.

Section 4 Removal of Officers

Any officer may be removed, either with or without cause, by the Board by a vote of at least two thirds (2/3) of the voting Directors in office, at any regular or special meeting.

Section 5 Resignation of Officers

Any officer may resign at any time by giving written notice to the Board or to the President or to the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 6 Vacancies

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

Section 7 President

The president shall be elected by the Board from among those persons who served as Directors at any time during the immediately preceding twelve (12) months or, if no such qualified Director is available for service, from among the representatives of the Members actively participating in the Corporation's affairs. The term of the Office of President shall be two years. He or she shall be the Chief Executive Officer of the Corporation and shall, subject to the control of the Board, have general supervision, direction, and control of the affairs and officers of the Corporation. He or she shall preside at all meetings of the Board, and shall have the general power and duties of management usually vested in the Office of President of a Corporation, together with such other powers and duties as may be prescribed by the Board or the Bylaws.

Section 8 Vice President

The Vice President shall be from a Section other than the Section of which the President is a member. If the Corporation has more than two Sections, then the Vice President shall be elected in accordance with procedures adopted by the Board. In the absence or disability of the President, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. He or she shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or the Bylaws.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 9 Secretary

The Secretary shall be elected by the Board from among the current, active representatives of the Members. The Secretary shall keep or cause to be kept at the principal office or such other place as the Board may order, a book of minutes of all meetings of Directors and members, with the time and place of holding same, whether regular or special and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of Members present in person or by proxy at Members' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, appropriate current records showing the names and mailing addresses of the Members of the Corporation. He or she shall give, or cause to be given, and he or she shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

Section 10 Chief Financial Officer

The Chief Financial Officer shall be elected by the Board, from among the current, active representatives from the Members. To qualify for this position managerial finance and accounting experience is necessary to meet business requirements. The Chief Financial Officer, who shall be known as the Treasurer, shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statement. The books and records shall at all reasonable times be open to inspection by any Director. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. He or she shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the President and Directors whenever they request it, and account of all of his or her transactions as Treasurer and of the financial condition of the Corporation, and shall have such powers and perform such other duties as may be prescribed by the Board or the Bylaws. If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his or her office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from office.

Section 11 Executive Director

The Board may appoint an Executive Director, who shall report to the President. The Executive Director shall primarily be a liaison between the Data Center and the Board and shall be responsible for the execution of orders of the Board and the management of such central office functions as the Board may establish.

**ARTICLE XII
Dues, Assessments, and Finances**

Section 1 Description of Dues and Assessments to Which Members are Subject

All Members of the Corporation shall be obligated to pay annual dues in amounts determined from time to time by the Board, which dues shall be uniform as among Sustaining Members. In addition, all Sustaining Members shall be required to pay assessments, the amount and purpose of which must be approved by a vote of the majority of the Members in advance.

Section 2 Checks

All checks or demands for money and notes of the Corporation shall be signed by the President or Treasurer, or by such other officer or officers or such other person or persons as the Board of Directors may from time to time designate.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 3 Operating Account

There shall be established and maintained a cash deposit account to be known as the "Operating Account" into which shall be deposited the operating portion of all assessments as fixed and determined for all Members. Disbursements from such account shall be for the general need of the operation including, but not limited to, wages, repairs, betterment, maintenance, and other operating expenses of the properties.

Section 4 Other Accounts

The Board shall maintain any other accounts is shall deem necessary to carry out its purpose.

Section 5 Budgets and Financial Statements

The following financial statements and related information for the Corporation shall be related information for the Corporation shall be regularly prepared:

- A. The Board shall cause a true statement of the operations and properties of the Corporation for the preceding years to be made and distributed to each Member at each annual Membership meeting.
- B. Within one hundred twenty (120) days after the close of the fiscal year, a year end report consisting of at least the following shall be prepared:
 - i. A balance sheet as of the end of the fiscal year;
 - ii. An operating (income) statement for the fiscal year;
 - iii. A statement or changes in financial position for the fiscal year;
 - iv. A statement advising Members of the place where the names and addresses of the current Members are located; and
 - v. Any information required to be reported under Section 8322 of the California Corporations Code requiring the disclosure of certain transactions in excess of \$50,000 per year between the Corporation and any Director or Officer of the Corporation and indemnification and advances to Officers or Directors in excess of \$10,000 per year.

The year end report shall be prepared by an independent accountant or, if the annual report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized Officer of the Corporation that the statement was prepared without an audit from the books and records of the Corporation.

The Corporation shall notify each Member yearly of the Member's right to receive the financial report described in this subparagraph (b). Except in any year when the Corporation's gross receipts or revenues are less than \$10,000, upon written request of a member the Board shall promptly cause the most recent year end report to be sent to the requesting Member. Any information required to be reported under Section 8322 of the California Corporations Code (see subparagraph (b) (v) of this section) must either be approved by a vote of the Members or mailed to the Members.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

**ARTICLE XIII
C.A.S.E. Register and Data Center**

Section 1 Publication of Electronic Release of Data

The Board may contract with a qualified firm to publish and release the electronic and computerized data collected via the C.A.S.E. Data Center

Section 2 Contributions of Members

The Corporation shall have the right to request and receive from each Member non-prejudicial supplier data and to solicit participation by Members in related activities which further the purposes of the Corporation.

Section 3 Member Conduct/Revision

Members of the Corporation supplying information to the Register shall not engage in any activities which are inconsistent with, contrary to, or prohibited by law, or release or accept data, information or materials which are prejudicial to any firm. No anti-competitive practices are contemplated or permitted. The Register of suppliers will be revised at regular intervals.

Section 4 Data Center

- A. The Corporation shall maintain an operation known as the "C.A.S.E. Data Center," the management of which may be delegated by the Board, subject to the ultimate authority of the Board, by contract to a qualified firm/individual. The C.A.S.E. Data Center is charged with maintaining the Corporation's Electronic Database and computer system for the collecting, collating, publishing, and distributing of supplier information in conformity with these Bylaws.
- B. The Center manager shall provide adequate resources (manpower, office space, furniture, equipment, etc.) for the discharge of its obligations.
- C. The Center Manager shall keep detailed records of operating expenses and shall provide a report and invoice charges to the C.A.S.E. Treasurer monthly.
- D. Specific responsibilities of the Center Manager shall include, but are not limited to:
 - i. Maintaining files of original data transmissions for a period of three (3) years.
 - ii. Monitoring and arranging for the repair of all equipment utilized in the discharge of C.A.S.E. duties.
 - iii. Arranging for access and distribution of electronic database as required.
 - iv. Maintaining records of expenditures as required by the contract.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

**ARTICLE XIV
Miscellaneous**

Section 1 Inspection of Books and Records

A. Inspection by Members

All accounting books and records, minutes of proceedings of the Members, the Board, and committees of the Board and Membership lists and papers of the Corporation shall at all times, during reasonable business hours, be subject to the inspection of any Member of his or her duly appointed representative at the offices of the Corporation for any purpose reasonably related to the Member's interest as such, Member's rights of inspection hereunder shall be exercisable on ten (10) days' written demand on the Corporation (except that rights to inspect and copy records of Members names, addresses and voting shall be exercisable on five (5) days' prior written demand), which demand shall state the purpose for which the inspection rights are requested. Inspection rights shall be subject to the Corporation's right to offer a reasonable alternative to inspection within ten (10) days after receiving the Member's written demand (as more particularly set forth in Section 8330 and following of the California Nonprofit Mutual Benefit Corporation Law).

B. Rules Regarding Exercise of Inspection Rights

The Board of Directors may establish reasonable rules with respect to:

- i. Notice of inspection.
- ii. Hours and days of the week when inspection may be made, and
- iii. Payment of the cost of reproducing copies of documents requested by the Member.

C. Inspection by Directors

Every Director shall have an absolute right at any reasonable time to inspect all books, records, documents, and minutes of the Corporation and the physical properties owned by the Corporation. The right of inspection by a Director includes the right to make extracts and copies of documents.

Section 2 Corporate Seal

The Corporation may have a seal in circular form having within its circumference the words "Coordinating Agency for Supplier Evaluation, Incorporated March 30, 1992, State of California."

Section 3 Amendment or Repeal of Bylaws

Except as otherwise expressly provided herein, these Bylaws may only be amended or repealed, and new Bylaws adopted by the affirmative vote or written ballot of a majority of a quorum of the Members; provided that if any provision of these Bylaws requires the vote of a large proportion or all of the Members, such provisions may not be altered, amended, or repealed except by such greater vote, unless otherwise specifically provided herein.

**BYLAWS OF
COORDINATING AGENCY FOR
SUPPLIER EVALUATION**

Section 4 Annual Statement of General Information

As and when required by Section 8210 of the California Nonprofit Mutual Benefit Corporation Law, the Corporation shall file with the Secretary of State of California, on the prescribed form, a statement setting forth the authorized number of Directors, the names and complete business or residence address of all incumbent Directors, the names and complete business or residence addresses of the Chief Executive Officer, Secretary, and Chief Financial Officer, the street address of its principal office in this state, together with a designation of the agent of the Corporation for the purpose of service of process.

Section 5 Construction and Definitions

Unless the context required otherwise or a term is specifically defined herein, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, and singular number includes the plural and the plural number includes the singular.

Section 6 Indemnification of Corporate Agents

Any person who was or is a Director or Officer of the Corporation shall be, and any person who was or is an employee or other agent of the Corporation may be, indemnified by the Corporation for any claims, demands, causes of action, expenses or liabilities arising out of, or pertaining to, the Officer, Director, or agent's service to or on behalf of the Corporation to the full extent permitted by California Corporations Code Section 7237.

Section 7 Insurance Relating to Liability Protection for Volunteer Directors and Officers

The Corporation shall maintain a policy of general liability insurance in the amount of at least \$1,000,000 in order to afford its volunteer Directors and Officers the liability limitations of Corporations Code Section 5047.5 or any successor provision thereto. The Corporation may maintain Directors' and Officers' liability insurance coverage as practicable.

Section 8 Certificate of Secretary

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Secretary of the Corporation known as Coordinating Agency for Supplier Evaluation, does hereby certify that the above and foregoing Bylaws consisting of 26 pages, were duly adopted by written ballot voting at large or by Sections during scheduled meetings of the Members of said Corporation on the 20th day of April, 2001, and that they now constitute said Bylaws.

By Wayne Mills
(Secretary)