

LONMARK[®] International

BYLAWS

Revision 05.15.15

(Subject to approval by members)

Article I

Name, Principal Office, Purpose and Restrictions

1.01 Name and Office: The name of the organization is LONMARK International, a California nonprofit mutual benefit corporation. LONMARK International office shall be located in a place determined by the Board of Directors (Board).

1.02 Purpose: The purpose of LonMark International is to promote and advance the development and installation of open, multi-vendor control products utilizing, including but not limited to ISO/IEC 14908.1.

1.03 Restrictions: The Corporation is subject to various laws and regulations. All policies of activities of LONMARK International and its members shall be consistent with: (1) federal, state and local antitrust and trade requirements; (2) the requirement which applies to all nonprofit corporations that their earnings shall not be distributed to the members by way of dividends or otherwise; and (3) all other applicable laws, such as those protecting intellectual property and contracts.

Article II

Membership

2.01 Membership Statement: Membership shall consist of Corporate Members, and Individual Members.

2.03 Corporate Members: Members shall be firms or corporations engaged in the development, distribution, installation, maintenance, and use of open systems consistent with the purpose of LONMARK International. Corporate members may also hold membership in one or more Affiliates. Corporate Members are granted full membership rights. The classes of Corporate Membership shall be: Sponsors, Partners, and Associates.

2.03.1 Sponsor Members: Sponsor membership in LONMARK International shall be open to companies committed to the success of LONMARK International by providing leadership and strong financial support, according to standards as specified by the Board. Sponsor Members shall receive automatic appointment to the Board of Directors. Sponsor Members shall have the right to vote and the opportunity to participate in working groups and committees.

2.03.2 Partner Members: Partner membership in LONMARK International is extended to a firm or corporation that manufactures certifiable products or systems consistent with the purpose of LONMARK International. Partner Members shall have the right to vote and the opportunity to participate in task groups and committees established by the Board of Directors.

2.03.3 Associate Members: Associate membership in LONMARK International is extended to a firm or corporation that integrates, installs, specifies or distributes products or systems consistent with the purpose of LONMARK International. Associate Members shall have the right to vote and the opportunity to participate in task groups and committees established by the Board of Directors.

2.04 Individual Members: Individual Members shall be individuals engaged in the development, distribution, installation, maintenance, and use of open systems consistent with the purpose of LONMARK International. Individual Members may not vote or serve on the Board of Directors. Individual Members shall have the opportunity to participate in working groups and committees established by the Board of Directors.

2.05 Cooperative (Liaison) Members: Cooperative Members shall be non-profit organizations, non-governmental agencies, government entities, research organizations, universities or other entities interested in collaborating with LONMARK International. Cooperative Members may not vote or serve on the Board of Directors. Cooperative Members identified, as a primary contact in their organization shall have the opportunity to participate in working groups and committees established by the Board of Directors.

2.05 Membership Application: Individuals, firms, or corporations seeking membership must complete a membership application with LONMARK International in order to be eligible for membership.

2.06 Representatives of Members: (a) Each Corporate Member shall designate one individual as its voting Representative and an Alternate to act in Representative's absence by giving written notice of such designation to the Secretary and/or Treasurer of LONMARK International; and (b) the Representative shall be the primary liaison with LONMARK International and shall coordinate the involvement of the Member.

2.07 Termination of Membership: A membership shall be suspended or terminated whenever the Board or its designee determines that any of the following have occurred: a) resignation of a member, on reasonable notice, (b) failure of a member to pay dues, fees, or assessments in accordance with rules adopted by the Board, or (c) occurrence of any event that renders a member either ineligible for membership or incapable of satisfying membership qualifications.

2.08 Discipline of Members: A member may be publicly reprimanded, fined, suspended, or have their membership terminated for cause by the Board after the following procedure:

Cause shall include a failure, in serious degree, to observe LONMARK International rules of conduct as prescribed by the Board in these Bylaws or otherwise. The discipline shall occur only after the member has been given a fifteen-day prior written notice of the proposed discipline and the

reasons therefore. The member shall have an opportunity to be heard, orally or in writing, not less than five days before the effective date of the discipline by the Board or its designee. The Board shall determine whether cause exists and the appropriate discipline, if any.

The Board is not required to follow the procedure when imposing a lesser discipline such as private reprimand.

2.09 Voting: Sponsors, Partners and Associates ("Voting Members") shall have one vote each on matters on which LONMARK International Members are entitled to vote. Every Voting Member shall have the right to vote in person or by an agent authorized by a written proxy signed by the Member and filed with LONMARK International pursuant to its procedures. Voting Members' entitlement to voting rights is contingent upon the member being current on its dues and assessment obligations to LONMARK International.

2.10 Dues: The Board shall set dues, fees, and assessments and set the terms of payment. Any member who is delinquent in dues, fees, or assessments may be suspended or terminated as provided above.

Article III Affiliates

3.01 Affiliates: Affiliates shall be associations organized with objectives consistent with the purpose of LONMARK International and the provisions contained in the LONMARK Affiliate Agreement.

3.02 Affiliation Agreement: Associations seeking affiliation must complete a LONMARK Affiliation Agreement and Logo License Agreement.

Article IV Meetings

4.01 Annual and Special Meetings: The annual meeting of the Members shall be held at a time and place to be determined by the Board. Special meetings of the Members may be called by the Secretary/Treasurer, the Chairman of the Board of Directors, a Vice Chairman, or by any two Directors.

4.02 Notice of Meetings: Notice of meetings of the Members shall be delivered in writing not less than 10 days before the date of the meeting. Such notice shall specify the date, time, place, and purpose of such meeting and provide sufficient information so that Members can form a reasoned judgment as to the business to be transacted at this meeting. Notice of meetings shall be sent by one or more of the following methods: personally, fax, mail or email.

4.03 Action by Written Ballot: Any action required or permitted to be taken at a meeting of the Members may be taken by written ballot according to law.

4.04 Participation of Non-Members: A meeting of Members is limited to Members in good standing and others authorized to attend. However, the Board of Directors, in its sole discretion, may invite other interested persons to attend a particular meeting or portion of a meeting.

4.05 Quorum: One-quarter (25%) of the voting power, represented in person or by proxy, shall constitute a quorum at a meeting of members. If a quorum is present, the affirmative vote of the majority of the voting power 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 or voting by classes is required by law or another provision of the articles of incorporation or bylaws.

Article V Board of Directors

5.01 Board of Directors: The Board of Directors shall be the governing body of the corporation. Membership on the Board shall be limited to voting representatives, shall not be available to alternate representatives, and shall further be limited to one representative per member.

Each Sponsor Member shall appoint one Director to serve under the terms of the appointment.

Nine Directors shall be elected from each of the three regions: Americas, Asia, EMEA as follows:

Americas – three members are to be elected by the Partner and Associate members.

Asia – three members to be elected by the Partner and Associate members.

EMEA (Europe, Middle East, Africa) – three members are to be elected by the Partner and Associate members.

The Executive Director of LONMARK International shall also serve as an ex-officio, non-voting member of the Board.

A Director may not designate an alternate to represent the Director at meetings or otherwise.

5.02 Term: Each elected Director shall serve a term of two years, which shall begin immediately following the annual meeting at which Directors are elected, and shall last until their successors are elected and qualified, or until their earlier resignation, removal or death. Election of Directors shall be staggered so that as uniform a number as possible hold office at any given time.

5.03 Participation: All Directors must participate in all Board meetings either in person or via teleconference. The failure of any elected Board member to attend two consecutive meetings shall constitute resignation from the Board of Directors.

5.04 Committees and Working Groups: The Board will establish working groups and task groups to develop recommendations on specific technical and marketing issues and will provide direction to the Secretary/Treasurer with respect to proposed funding of marketing programs.

5.05 Duties of the Board: The Board is the governing body of the corporation and may delegate the management of the activities of LONMARK International to any person or persons, management company, or committee however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the board. The Board shall (a) approve the budget of LONMARK International, (b) approve the annual plan for marketing activities to be conducted by LONMARK International and (c) approve any changes to technical requirements to obtain LONMARK certification.

5.06 Meetings: The Board shall hold regular meetings at times and places designated by the Board. The Board shall keep a record of its proceedings and shall report on its activities at each member's meeting.

5.07 Special Meetings: Special meetings of the Board may be called by the Secretary/Treasurer or by three Directors.

5.08 Notice: The Board may hold regular meetings without notice if the time and place of such meetings is fixed by the Board. The Board may hold special meetings upon four days notice by first-class mail or 48 hours notice delivered personally or by telephone, fax, or email. In all cases notices shall specify in reasonable detail the business to be transacted.

5.09 Quorum: All Directors shall have one vote each on matters on which the Board of Directors is entitled to vote. A majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board. Any action taken at a meeting may be taken by a majority of a quorum and is the action of the Board.

5.10 Action by Unanimous Written Consent: Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, with a consent in writing, setting forth the action so taken, shall be signed by each Director.

5.11 Vacancies: Vacancies in the Board of Directors of elected Directors may be filled by a majority vote of the remaining Directors then in office, whether or not less than a quorum, and each Director so elected shall hold office until the next annual meeting of the Board. Board of Directors vacancies by Sponsor Members may be filled directly by each organization with the vacant Board seat. A vacancy or vacancies shall be deemed to exist in the case of the death, resignation or removal of any Director, or if the authorized number of Directors be increased without election of the additional Directors so provided for, or in case of the failure at any time to elect the full number of authorized Directors. If any Director tenders his or her resignation to the Board of Directors, the Board shall have the power to elect a successor to take office at such time as the resignation shall become effective. No reduction in the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

Article VI Executive Committee

6.01 Powers and Qualifications: The Executive Committee shall have the authority of the Board to act in its place between Board meetings on all matters except those specifically reserved to the Board by law or by the Board itself. The Executive Committee shall report its action to the Board at the earliest practical time.

6.02 Composition: The Executive Committee shall consist of five members: the Chair of the Board, the Vice Chair of the Board, and one member from each of the three designated regions, Asia, EMEA, Americas selected by the Board.

Article VII Officers

7.01 Designation: The elective officers of LONMARK International shall be the Chair, Vice Chair, and the Secretary/Treasurer.

7.02 Selection: The Chair, and Vice Chair, and Secretary/Treasurer shall be elected annually by a majority vote of the Board of Directors.

7.03 Duties: The officers perform those duties that are usual to their positions and that are assigned to them by the Board, including those duties that are set forth in the position description for each officer as adopted by the Board from time to time. In addition, the Chair serves as Chair of the Board; the Vice Chair acts in place of the Chair when the Chair is not available; and the Secretary/Treasurer is the Chief Financial Officer of the Corporation.

Article VIII Executive Director

8.01 Executive Director: LONMARK International shall have an Executive Director. The Executive Director shall have general powers and duties of supervision and management normally associated with a Chief Executive Officer. The Executive Director shall report to the Executive Committee of LONMARK International and shall have general supervision, direction and control of the affairs of LONMARK International. The Executive Director shall also perform those duties specified in Board policies and procedures and by employment agreement.

Article IX Committees

9.01 Committees and Task Groups: The Board may establish such committees, working groups, and task groups as it deems necessary to carry on the work of LONMARK International and shall prescribe their specific powers and duties. The Board, in its discretion, may terminate any such

committee, working group, or task group. A task group shall be designated as standing or special, and a working group is for a specific purpose. The Board shall document the specific mission and authority that is being delegated in each committee, working group, or task group.

Article X Antitrust

10.01 Antitrust: Each member of LONMARK, International shall comply with federal, state, and local laws and regulations regarding antitrust and fair trade. Each member shall also abide by the antitrust statement adopted by the Board.

Article XI Confidentiality

11.01 Confidentiality: Each Member shall be responsible for preserving the confidentiality of its own proprietary information and shall, to the extent reasonably possible, refrain from exchanging confidential information and trade secrets while participating in meetings and activities. Each member shall be required to observe the confidentiality of other members.

Article XII Use of Funds

12.01 Use of Funds: LONMARK International shall use its funds only to accomplish the objectives and purposes specified in these Bylaws and no part of said funds shall inure, or be distributed, to the Members of LONMARK International.

Article XIII Indemnification and Insurance

13.01 Indemnification: To the fullest extent permitted by the law, LONMARK, International shall indemnify and hold harmless all agents against claims arising out of any alleged or actual action or inaction in the good-faith performance of their duties. "Agents" for this purpose shall include Directors, Officers, employees, and volunteers.

13.02 Insurance: LONMARK, International shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its agents against any liability asserted against or incurred by the agent in such capacity arising out of the agent's status as such.

Article XIV Dissolution

14.01 Dissolution: LONMARK International may be dissolved upon a majority vote of the Voting Members of LONMARK International. Any funds that remain after the dissolution has been carried out shall be divided among the Members pro-rata based on the Member's dues paid during the one-year period prior to the dissolution.

Article XV Amendments

15.01 Amendment: These Bylaws may be amended by a majority vote of the Board or the members, provided that certain amendments to the Bylaws, which will materially affect the rights of members, must be approved by the members according to law.