

International Organization for Secure Commerce

Bylaws

Article I – Overview

These bylaws constitute the code of rules adopted by the International Organization for Secure Commerce for the regulation and management of its affairs.

Article II – Purpose

The International Organization for Secure Commerce (“IOSC”, “Corporation”, “Organization”) exists for the purposes of promoting secure commerce by developing standards, providing education, implementing an audit and certification program, and performing other services related to commerce and supply chain security.

Article III – Organization

The IOSC is incorporated in the State of Texas pursuant to the Texas Non-Profit Corporation Act. Management of the affairs of the IOSC is vested in its Board of Directors. The Corporation’s rules governing its members, Board of Directors, dissolution, and other operational matters are set forth in these bylaws.

The organization shall have a seal which shall include the name of the organization.

Article IV – Board of Directors

(1) Powers

The Board of Directors (“Directors”) of this Corporation is vested with the management of the business and affairs of the Corporation, subject to the Texas Non-Profit Corporation Act, the Articles of Incorporation, and these bylaws.

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(2) Qualifications

Directorship shall not be denied to any person on the basis of race, creed, sex, religion or national origin. Potential Directors may be required to submit to a criminal background check, a screening for illegal drug use, and/or a check of references and employment history. Potential Directors with a history of criminal activity, who test positive for illegal drug use, or who have misrepresented their education or employment history will be deemed unqualified for Directorship.

(3) Number of Directors

The Board of Directors will consist of nine Directors. Upon majority resolution of the Board of Directors the number of Directors may be increased or decreased. In no event shall a decrease in the number of Directors have the effect of shortening the term of an incumbent Director, or decreasing the total number of Directors to less than three. In the event of an increase to number of Directors, the additional seats shall be declared vacant and shall be filled in accordance with these bylaws.

The initial Board of Directors shall consist of those persons listed in the Articles of Incorporation. The additional seats on the Board of Directors shall be declared vacant, and shall be filled in accordance with these bylaws.

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(4) Term of Directors

The term for appointment as a Director on the Board of Directors is two fiscal years. If a vacant seat on the Board of Directors is filled mid-year the partial year is counted as the first year of the two year term. The term of the Corporation's initial Board of Directors shall expire on the last day of December, 2006. There are no limits on the number of consecutive terms to which a Director may be elected. Directors whose terms have expired may choose to continue serving until they are either re-appointed or their successors are chosen.

(5) Election of Directors

Elections for Directors filling expired terms shall be held at the last meeting of the Board of Directors during the fiscal year. The term for appointments resulting from these elections will start on the first day on the ensuing fiscal year.

Elections to fill vacant seats may be held at any regular meeting of the Board of Directors, or at a special meeting called for the purpose of the election.

(6) Resignation

Any Director may resign at any time by delivering written notice to the Secretary or President of the Board of Directors. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

(7) Removal

Any Director may be removed without cause, at any time, by a majority of the entire Board of Directors, at a Regular Meeting or a Special Meeting called for that purpose. Any Director under consideration of removal must first be notified about the consideration by written notice at least five days prior to the meeting at which the vote takes place.

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(8) Vacancies

Vacancies shall be filled by the majority vote of the remaining Board of Directors. Any Director may make nominations to fill vacant directorships.

(9) Compensation

Directors shall not receive any salaries or other compensation for service on the Board of Directors. Directors may be reimbursed for any actual expenses incurred in the performance of their duties, as long as a majority of disinterested Board members approve the reimbursement. The Corporation shall not loan money or property to, or guarantee the obligation of, any Director.

It is anticipated that members of the Board of Directors may be asked to provide professional services as instructors, presenters, consultants or auditors. Directors may be reasonably compensated if they provide a professional service to a third party on behalf of the Corporation. Such compensation must be approved in advance by a majority of the Board of Directors.

(10) Duties

The duties of a Director serving on the Board of Directors include the management and oversight of the operations of the Corporation. In addition it is expected that each Director shall endeavor to serve the Organization in the following roles:

- a. Ambassador – Serve as an Ambassador At Large by promoting membership and participation in the Organization throughout the community.
- b. Contributor – Contribute to the development of the best practices and common body of knowledge on which the Organization's education and certification programs will be based.

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- c. Instructor – Participate in the Organization’s educational program as a presenter or instructor for those subjects in which the Director has expertise.

Article V – Committees

(1) Executive Committee

The President, Vice President, Treasurer and Secretary of the Corporation shall constitute the executive committee. The executive committee shall have the authority to act on behalf of the Corporation between Regular Meetings of the Board of Directors. The Board of Directors must validate the actions of the executive committee at its next Regular or Special Meeting. Any action not so validated will not be legally binding on the Corporation. The President shall act as chairperson of the executive committee. A majority of the executive committee shall constitute a quorum for the transaction of business, and all decisions shall be by majority vote of those present.

(2) Additional Committees

The Board of Directors may from time to time designate formation of and appointment to standing or temporary committees by majority vote of the Board of Directors. Such committees shall have and exercise such prescribed authority as is designated by the Board of Directors. The Directors may authorize these committees to exercise any power, responsibilities and duties consistent with the Articles of Incorporation and these bylaws.

Article VI – Code of Ethics

The Corporation and its Board of Directors will develop a Code of Ethics. Such Code of Ethics will be published to all Directors, Employees, Contractors, and on the Corporation’s web site. All Directors and Employees will comply with the published Code of Ethics.

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Article VII – Board Meetings

(1) Location of Board Meetings

Regular or Special Meetings of the Board of Directors will be held at a place designated by the President of the board of Directors.

(2) Regular and Special Meetings

Regular meetings of the Board of Directors shall be held each month, or more frequently as deemed necessary by the Board of Directors. Special meetings may be called by the President or any three Directors. An orientation meeting will be held each year for the new members of the Board of Directors.

(3) Notice of Board Meetings

Notice of the date, time and place of Regular Meetings shall be given to each board member by regular mail, telephone, voice mail, facsimile or e-mail no less than 10 days prior to the date of the meeting. Notice of the date, time and place of Special Meetings shall be given to each Board member using the same methods, but with no less than 5 days notice prior to the meeting. Notice of any special meeting called to amend the Articles of Incorporation or bylaws of the Corporation must be delivered using at least two of the previously mentioned methods at least 14 days in advance of the meeting, and must specify the details of the proposed amendment.

(4) Waiver of Notice

Attendance by a Director at any meeting of the Board of Directors for which the Director did not receive the required notice will constitute a waiver of notice of such meeting unless the Director objects at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called or convened.

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(5) Quorum

A majority of the incumbent Directors (not counting vacancies) shall constitute a quorum for the purposes of convening a meeting or conducting business. At Board meetings where a quorum is present, a majority vote of the Directors attending shall constitute an act of the Board unless a greater number is required by the Articles of Incorporation or by any provision of these bylaws.

(6) Actions without a Meeting

Any action required or permitted to be taken by the Board of Directors under the Texas Non-Profit Corporation Act, the Articles of Incorporation and these bylaws may be taken without a meeting, if a majority of Directors individually and collectively consent in writing, setting forth the action to be taken. Such written consent can be delivered physically, via fax or via email. Such written consent shall have the same force and effect as a majority vote of the Board.

(7) Open Meetings

Meetings shall be open to the general public, except when personnel, real estate or litigation matters are being discussed.

(8) Proxy Voting Prohibited

Proxy voting is not permitted.

Article VIII – Officers

(1) Roster of Officers

The Corporation shall have a President, Vice-President, Secretary and Treasurer. The Corporation may have, at the discretion of the Board of Directors, such other officers as may be appointed by the Directors. One person may hold two or more offices, except those serving as President or Secretary.

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(2) Election and Removal of Officers

All officers shall serve one-year terms. Elections shall be conducted at the Board of Directors' first meeting of the fiscal year. Officers shall remain in office until their successors have been selected. Officers may serve consecutive terms without limit. The election of officers shall be by majority vote of the Board of Directors attending the meeting.

(3) Vacancies

If a vacancy occurs during the term of office for any elected officer, the Board of Directors shall elect a new officer to fill the remainder of the term as soon as practical.

(4) President

- The President will supervise and control the affairs of the Corporation and shall exercise such supervisory powers and perform such duties as may be specified by the Board of Directors.
- The President shall preside at all Board meetings and shall exercise parliamentary control in accordance with Robert's Rules of Order.
- The President shall serve as an ex-officio member of all committees unless otherwise provided by the Board of Directors or these bylaws.
- The President shall, with the advice of the Board of Directors and in accordance with the requirements of these bylaws, set the agenda for each meeting of the Board of Directors.

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(5) Vice President

- The Vice President shall act in place of the President in the event of the President's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors.
- The Vice President shall serve as the parliamentarian and interpret any ambiguities of the bylaws.

(6) Secretary

- The Secretary will perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Article of Incorporation, or by these bylaws.
- The Secretary shall attest to and keep the bylaws and other legal records of the Corporation, or copies thereof, at the principal office of the Corporation.
- The Secretary shall take or ensure that someone takes minutes of all meetings of the committees and Board of Directors, and shall keep copies of all minutes at the principal office of the Corporation.
- The Secretary shall keep a record of the names and addresses of the Directors at the principal office of the Corporation.
- The Secretary shall, with the approval of the Board of Directors, set up procedures for any elections held by the Corporation. The Secretary shall keep a record of all votes cast in such elections.
- The Secretary shall ensure that all records of the Corporation, minutes of all official meetings, and records of all votes are made available for inspection by any member of the Board of Directors upon receipt of reasonable notice.
- The Secretary shall see that all notices are duly given in accordance with these bylaws or as required by law.
- The Secretary shall see that all books, reports, statements, certificates and other documents and records of the Corporation are properly kept and filed.

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- In the case of the absence or disability of the Secretary, or the Secretary's refusal or neglect to fulfill the duties of Secretary, the Vice President shall perform the functions of the Secretary.

(7) Treasurer

- The Treasurer will oversee and supervise the financial business of the Corporation, will render reports and accountings to Board of Directors as required, and will perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation, or by these bylaws, or which may be assigned by the Board of Directors.
- The Treasurer and the Executive Director of the Corporation shall devise a plan providing for the acceptance and disbursement of all funds of the Corporation which shall be approved by the Board of Directors.
- The Treasurer, with the approval of the Board of Directors, shall establish or oversee the establishment of all checking, savings and investment accounts of the Corporation and deposit or oversee the deposit of all such funds in the name of the Corporation in such accounts.
- The Treasurer shall be an authorized signor for all checking, savings, and investment accounts of the Corporation.
- The Treasurer shall prepare a monthly report for the Board of Directors, providing an accounting of all transactions and of the financial conditions of the Corporation.

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- The Treasurer shall keep all financing records, books, and annual reports of the financial activities of the Corporation at the principal office of the Corporation and shall make them available for inspection at the request of any Director or member of the public.

Article IX – Members

(1) Definition of Members

The Corporation is organized to have members for the sole purpose of professional association. A member is an organization or individual that has qualified for membership based on the Corporation's Membership Program.

(2) Rights of Members

All rights and powers of management and control for the business affairs of the Corporation are vested in the Board of Directors. Members shall have only those rights and powers specifically assigned to them by the Board of Directors.

(3) Organization Membership

As soon as is practical the Corporation shall develop a Membership Program to specify the requirements, costs and privileges of membership in the organization. The Membership Program, and any subsequent changes thereto, must be approved by the Board of Directors.

Article X – Rules of Procedure

The proceedings and business of the Board of Directors shall be governed by Roberts Rules of Parliamentary Procedure unless otherwise indicated in these bylaws.

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Article XI – Executive Director

The Board of Directors may appoint or contract for an Executive Director to serve at the board's discretion and to carry out whatever tasks the Board from time to time resolves. The Executive Director shall be paid based on an annual salary or contract amount set by the Board of Directors. Subject to such supervisory powers as are vested in the Board of Directors, the Executive Director shall supervise, direct and control the business of the Corporation and actively manage its business, and shall have such other powers and duties as may be assigned by the Board of Directors or by these bylaws.

The Executive Director may engage in negotiations involving commitment of the resources of the Corporation or the acceptance of money or resources by the Corporation in furtherance of the purposes of the Corporation as set out in the Articles of Incorporation and these bylaws. The Executive Director shall generally be expected to attend all meetings of the Board of Directors. The Executive Director may be one of the Directors of the Corporation provided the Executive Director does not hold an office on the Board or vote on matters pertaining to the contract for or compensation of the Executive Director.

Article XII - Indemnification

(1) Indemnification

To the extent permitted by law, any person (and the heirs, executors and administrators of such person) made or threatened to be made a party to any action, suit, or proceedings by reason of the fact that he is or was a Director or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorney's fees and disbursements, incurred by him (or by his heirs, executors or administrators) in connection with any appearance therein.

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(2) Limits on Indemnification

Notwithstanding the above, the Corporation will indemnify a person only if he acted in good faith and reasonably believed that his conduct was in the Corporation's best interests. In the case of a criminal proceeding, the person may be indemnified only if he had no reasonable cause to believe his conduct was unlawful.

(3) Insurance

The Corporation, as soon as is deemed financially feasible by the Board, will provide indemnification insurance for its Board members, and the Board shall select the amount and limits of such insurance policy.

Article XIII – Dissolution

Should the Corporation be dissolved, all assets shall be distributed to an institute of higher education as selected by majority vote of the Board of Directors. Should it not be possible for any reason to obtain a majority vote of the Board of Directors, all assets shall be distributed to the general scholarship fund of the University of Texas at El Paso.

Article XIV - Operations

(1) Execution of Documents

Unless specifically authorized by the Board of Directors or as otherwise required by law, all final contracts, deeds, conveyances, leases, promissory notes or legal written instruments executed in the name of and on behalf of the Corporation shall be signed and executed by the Executive Director and the President (or such other person designated by the Board of Directors), pursuant to the general authorization of the Board. All conveyances of land by deed shall be signed by the President and two other members of the Board and must be approved by a resolution of the Board of Directors.

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(2) Disbursement of Funds

Financial transactions which have a value of \$1500 or more shall require majority approval of the Board of Directors or Executive Committee if a majority of the Board of Directors is not immediately available to vote on the transaction. In all other transactions, the Executive Director may dispense with the funds of the Corporation in accordance with the annual budget approved by the Board of Directors and the purposes of the Corporation as set out in the Articles of Incorporation and these bylaws. Notwithstanding the above, all checks of more than \$1000 disbursing funds from any of the Corporation's accounts shall require the signature of at least two of the following: the Executive Director, President, Vice President, Secretary, or Treasurer.

(3) Records

The Corporation will keep correct and complete records of account and will also keep minutes of the proceedings of the Board meetings and Committees. The Corporation will keep at its principal place of business the original or a copy of its Articles of Incorporation and bylaws, including amendments to date certified by the Secretary of the Corporation.

(4) Inspection of Books and Records

All books and records of this Corporation may be inspected by any Director for any purpose at any reasonable time on written demand.

(5) Loans to Management

The Corporation will make no loans to any of its Directors or Officers.

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(6) Amendments

The Board of Directors may adopt Articles of Amendment (amending the Articles of Incorporation) by a vote of two-thirds of Directors present at a meeting where a quorum is present. The bylaws may be amended at any time by a vote of two-thirds of Directors present at a meeting where a quorum is present.

(7) Fiscal Year

The fiscal year for the Corporation will be the calendar year, January 1 to December 31.

(8) Audit

The Corporation shall have an annual audit to be completed by February 15th of each year for the previous fiscal year. In any year in which revenue exceeds \$50,000 the audit must be performed by an external auditor.

(9) Policy and Procedures

The Board of Directors may from time to time approve specific policy statements to provide guidance in the operation of the Corporation. These statements are anticipated to include, but are not limited to: Ethics Policy, Procurement Policy, Security Policy, and Acceptable Use of Resources Policy. It is the responsibility of the Executive Director to develop operational procedures to implement these policies.

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Article XV - Miscellaneous

(1) Construction

Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely.

(2) Operability

If any portion of these bylaws shall be invalid or inoperative, then, so far as is reasonable and possible the remainder of these bylaws shall be considered valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative.