

**BYLAWS
OF THE
EMISSIONS MARKETING ASSOCIATION, INC.**

Adopted by the Board of Directors December 12, 1996;

Amended February 17, 1997.

Amended and Restated as of April 1, 1998

Amended and Restated as of February 4, 2000

Amended and Restated as of September 17, 2001

Bylaws of the Emissions Marketing Association

Article I - Name

The name of the organization shall be the Emissions Marketing Association.

Article II - Non Profit Corporation

The Emissions Marketing Association, Inc., hereinafter called "the Association", is a non-profit corporation without capital stock, incorporated under the laws of the State of Illinois.

Article III - Mission and Objectives

Section 1

The mission of the Association is to promote market based trading solutions for environmental management and to serve its membership. The Association will pursue this mission through the following objectives:

- a) Promote the advancement and application of policy and regulation relevant to market based emission trading systems.
- b) Encourage and facilitate information exchange among members and other professional and technical groups, and the public.
- c) Provide programs in education and training to improve knowledge and skills of members and the understanding and acceptance by the public.

Article IV - Membership

Section 1

There shall be two classes of membership as follows:

- a) **General Membership:** Any person of good character, interested in accomplishing the mission and objectives of the Association and who contributes at least the minimum dues determined by the Board shall be eligible for general voting membership.
- b) **Non-profit Membership:** Any employee of a governmental agency, academic institution, or other accepted nonprofit organization, or any student, interested in accomplishing the mission and objectives of the Association and who contribute at least the minimum dues determined by the Board, shall have the exclusive privilege of representing themselves as such members but shall not have the privileges of (i) serving on any nominating committee, (ii) of voting, and (iii) of holding any office. Final determination of eligibility of any individual for this membership class shall be by the Board of Directors.

Section 2

The member application process shall include a formal signature affirming support of the EMA mission and objectives. The election of any applicant to membership is subject to Board approval. If elected, membership becomes effective upon payment of dues for the first year.

Section 3

Each member holding a general membership who is in good standing and who has paid all assessed dues shall have one vote on each matter submitted to a vote of the members. A vote may be cast either orally or in writing. When an action other than the election of Directors is to be taken by a vote of the membership, it shall be authorized by a majority of the votes cast at a meeting at which a quorum is established, unless a greater plurality is required by the Articles of Incorporation or by law. Except as otherwise provided by the Articles of Incorporation, the Board of Directors shall be elected by a plurality of **Bylaws of the Emissions Marketing Association** the votes cast at an election of Directors, within the limitations set forth in Section 3 hereof.

Section 4

All voting members may exercise their vote either in person or by written proxy given to any officer or member in good standing. Such proxies shall entitle the holders thereof to vote at such meeting, but shall not be valid after the final adjournment thereof. No proxies shall be valid after ninety (90) days from the date of their execution unless the member executing proxy shall have specified the length of time that it is to continue in force, which shall be for some limited period.

Section 5

Any member in any classification who shall resign, or be expelled from the roll of membership, shall not be entitled to any refund or any portion of the funds in, or owing to, the treasury of the Association.

Section 6

A member may be removed from membership in the Association by majority vote of the Board of Directors, if the Board determines that the member has acted in a manner that is contrary to the best interests of the Association.

Article V - Dues

Section 1

The Board shall establish annual dues for each membership class.

Section 2

Annual Dues for each calendar year is payable in advance on or prior to a due date established by the Board. For new members, annual dues is payable upon acceptance of the application and, if the member was accepted after June 1, the amount of the annual dues shall be reduced by 50%. Annual dues shall be non-refundable. Any member of the Association whose dues shall be remain unpaid for a period of one (1) month after the due date shall forfeit the right to vote, to receive any publications of the Association, or to be privileged to receive any services rendered by the Association. If dues remain unpaid for three (3) months after the due date, the membership shall be terminated.

Article V - Association Assets

Section 1

All income and earnings of the Association shall be used exclusively for association purposes, and no part of the net income or net earnings of the Association shall inure to the benefit or profit of any member.

Section 2

In the event of dissolution of the Association the remaining assets after discharge of all liabilities and obligations shall be donated to another nonprofit association or organization, doing similar or like work in the field.

Article VI - Meetings

Section 1

There shall be an Annual Meeting of the Association held at such time and place as determined by the Board. When found desirable or necessary, other meetings may be held at the discretion of the Board.

Section 2

There shall be a business meeting of the Association at the Annual Meeting (hereinafter the "Annual Business Meeting"). At any meeting of the Association, one fourth of the members of the Association, represented in person or by proxy, shall constitute a quorum.

Section 3

Special business meetings of the Association may be called by the Chairman, or by the Chairman upon request of three of the then elected and qualified members of the Board of the Association. Notice for any special business meeting shall state the business to be considered. No other business shall be considered.

Section 4

Written notice of the time, place, and object of all meetings of members shall be given to each member not less than ten (10) days, nor more than sixty (60) days before the meeting, by any of the following methods: overnight delivery (e.g., Federal Express), electronic facsimile, e-mail, personal delivery, first-class mail or such other method as may be permissible under applicable law. If mailed, notice shall be deemed given by depositing the same in the post office box, postage prepaid, and addressed to the last known address of such member.

Section 5

Attendance of a person at a meeting of members, in person or by proxy, constitutes a waiver of notice of the meeting, except when a member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Article VII - Board of Directors

Section 1

The business and affairs of the Association shall be managed by its Board of Directors. The Board shall also be responsible for determining and communicating the policies and positions of the Association. References in these Bylaws to Directors shall mean the Directors or Board of Directors of the Association.

Section 2

Directors shall be individuals who are members in good standing in the Association. The number of Directors shall be at least three (3) and no more than seven (7). The term of each Director shall be three (3) years, or until a successor is elected and qualified, or until his or her resignation or removal. The terms of the Directors shall be staggered so that at least one-third of the Board shall be elected each year. It is the goal of the Association that the composition of the Board of Directors will reflect the diversity of the membership of the Association. No member of the Association shall have more than one (1) employee, representative or agent on the Board of Directors at any one time.

Section 3

The Chairman may appoint individuals, subject to confirmation by the Board of Directors, to be ex officio members of the Board without a vote. The members shall not be considered for purposes of a quorum. Ex officio members shall work for the goals and purposes of the Association, but are not required to be dues-paying members of the Association.

Section 4

The Chairman may appoint as an ex officio member, subject to confirmation by the Board of Directors, designated representatives of national or regional associations which work for the goals and purposes of the Association.

Section 5

On an annual basis, an EMA nominating committee consisting of two Board members and one non-Board member shall be appointed by the Chairman and approved by a majority of the Board. The Nominating Committee will seek suggestions from the membership for consideration for open seats on the Board. With consideration given to the suggestions made by the membership and meeting the diversity goal of Article VII, Section 2, the Nominating Committee shall recommend to the Board a slate of candidates for election as Directors. Upon approval by the Board, the slate of candidates shall be set forth on a proxy to be sent to the members for the annual meeting. The proxy shall contain or be accompanied by a professional biography for each candidate. The biography shall be prepared by the candidate and will be subject to review, editing and approval by the Nominating Committee. In editing and approving the biographies, the Nominating Committee will treat each candidate substantially the same in terms of the maximum length of biographies and the types of information included.

Section 6

- a) Regular meetings of the Board of Directors shall be held at least four times annually or as otherwise determined by the Board of Directors. Such meetings shall be held at times and places as designated by the Board of Directors. All Board of Directors meetings shall be open to all members.
- b) Special meetings of the Board of Directors may be held upon the call of the Chairman, or when requested by three (3) members of the Board of Directors. The Secretary shall notify, in writing, members of the Board at least three (3) days prior to the day of any special meetings, which notice shall set forth the purpose of such meeting. No business shall be transacted except that for which the meeting has been called.
- c) Written notice of the time, place, and object of a meeting of the Board of Directors of the
- d) Association shall be given to each Board member not less than seven (7) days before the meeting, by any of the following methods: overnight delivery (e.g., Federal Express), e-mail, electronic facsimile, personal delivery, first-class mail or such other method as may be permissible under applicable law.
- e) A Director may participate in a meeting of the Board by means of telephone conference call or by any other means of communication by which all persons participating in the meeting are able to hear all comments made by the other participants.

Section 7

Attendance of a Director at a meeting constitutes a waiver of notice of the meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction on any business because the meeting is not lawfully called or convened.

Section 8

A majority of the Directors shall constitute a quorum to conduct business. The vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Board of Directors.

Section 9

Vacancies in the Board of Directors shall be filled by the vote of the remaining members of the Board, and each person so elected shall be a Director of the remaining term of the vacant Board seat.

Section 10

Action may be taken by the Board of Directors, without a meeting, if before the action is taken,

- 1) an attempt is made to contact all Board members by telephone for approval of such action and
- 2) at least a majority of the Board are actually contacted and the issue is clearly, accurately, and uniformly presented to such Board members and
- 3) a majority of the members of the Board approve of such action. A resolution setting forth any such action shall be placed in the corporate record book.

Section 11

A Director, or the entire Board, may be removed with or without cause by a vote of a majority of the members of the Association. In addition, any Director may be removed from office by an affirmative vote of the majority of Directors then in office. Such vote shall be taken at any regular meeting of the Board or special meeting called for that purpose. Any Director who has three (3) absences from regular Board meetings in a calendar year, or is no longer a member in good standing of the Association, shall be automatically removed from the Board.

Section 12

Any Director may resign from the Association by delivering a written resignation to the Chairman of the Association.

Section 13

At the Annual Meeting of members, the members shall elect Directors for the terms set forth in these Bylaws.

Section 14

Directors shall not receive any salary for their services, as such, but the Board of Directors shall have power to contract for and pay to Directors rendering unusual services to the Association, special compensation appropriate to the value for such services. Directors may receive reimbursement for reasonable expenses incurred in carrying out their obligations as Directors, upon approval of the Board of Directors.

Article VII - Officers

Section 1

The officers of the Association shall be the Chairman, Vice Chairman, Secretary, and Treasurer. The Board of Directors may also appoint such other officers and agents as they shall deem necessary for the transaction of the business of the Association.

Section 2

The Board of Directors shall elect a Chairman, Vice Chairman, Secretary, and Treasurer from among the Directors at the first Board of Directors meeting held after the Annual Meeting of the members. The officers shall each serve a one-year term. The Chairman shall not serve more than three (3) consecutive full one-year terms.

Section 3

An officer elected or appointed by the Board may be removed by the Board with or without cause by an affirmative vote of the majority of Directors then in office. In addition, in case any office of the Association becomes vacant by death, resignation or any other cause, the Board of Directors may elect an officer to fill such vacancy.

Section 4

The Chairman shall:

- a) Be the chief presiding officer at all meetings of the Association and the call of such meetings and shall have charge of all legal papers of the Association.
- b) Be responsible for carrying out the directives of the Board of Directors and the Association membership.
- c) Be responsible for the officers of the Association carrying out their assigned tasks.
- d) Be responsible for appointment of committee chairpersons and committee members in carrying out the duties assigned to such committees. The Chairman shall be an ex officio member of every committee except as herein provided.
- e) Perform all other duties as are normal to the office of Chairman, including serving as the spokesperson for the Association or designating a spokesperson for the Association.

Section 5

The Vice Chairman shall:

- a) Perform all tasks assigned by the Chairman.
- b) Assist the Chairman in the supervision of all other officers of the Association and the work of committees of the Association.
- c) Preside at all meetings in which the Chairman shall be absent and perform all duties of the Chairman when the Chairman is unable.

Section 6

The Secretary shall:

- a) Be responsible for recording and transcribing accurately and fully the minutes of all meetings of the Association, both regular and special.
- b) Be responsible for preserving such minutes in an appropriate book or folder used specifically for such purpose and such books shall be open for inspection as prescribed by law.

Section 7

The Treasurer shall:

- a) Be responsible for the collection of, and any disbursement of, all the Association moneys pursuant to the direction of the Board of Directors. No Association moneys may be disbursed without the express authorization of the Treasurer, or in his or her absence or incapacity, the Chairman.
- b) Be responsible for opening and maintaining such checking and savings accounts, and investments accounts, as are normal and customary.
- c) Be responsible for prompt deposit of all moneys paid to the Association in appropriate bank depositories under the Association name.
- d) Be responsible for payment when due of all bills of the Association.
- e) Be responsible for having general information regarding the financial status of the Association at each Board meeting and causing to be presented a complete statement of the financial status of the Association at any regular Board meeting when requested by the Board, and presenting a full and complete statement of the financial status of the Association at the Annual Meeting of the members.
- f) Be responsible for determining and implementing all bookkeeping, accounting, auditing, and asset management policies and procedures as are necessary for the prudent management of the Association's finances.

Article IX - Committees

Section 1

The Board of Directors by a vote of a majority of the Directors may create one or more committees and appoint directors or such other persons as the Board designates, to serve on the committee or committees.

Section 2

Unless the appointment by the Board of Directors requires a greater number, a majority of any committee shall constitute a quorum, and a majority of committee members present and voting at a meeting at which a quorum is present is necessary for committee action. A committee may act by unanimous consent in writing without a meeting and, subject to action by the Board of Directors, the committee by a majority vote of its members shall determine the time and place of meetings and the notice required therefore.

Section 3

To the extent specified by the Board of Directors, each committee may exercise the authority of the Board of Directors under Section 108.05 of the Not for Profit Corporation Act of 1986 (the AAct@); provided, however, a committee may not:

- a) Adopt a plan for distribution of the assets of the corporation, or for dissolution;
- b) Approve or recommend to members any act the Act requires to be approved by the members;
- c) Fill vacancies on the Board or any of its committees;
- d) Elect, appoint or remove any officer or director or any member of any committee, or fix the compensation of any member of any committee;
- e) Adopt, amend, or repeal the by-laws or articles of incorporation.
- f) Adopt a plan of merger or adopt a plan of consolidation with another corporation, or authorize the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the corporation; or
- g) Amend, alter or repeal or take action inconsistent with any resolution or action of the Board of
- h) Directors when the resolution or action of the Board of Directors provides by its terms that it shall not be amended, altered or repealed by action of a committee.
- i) The Board of Directors may create and appoint persons to a commission, advisory body or other such body which may not act on behalf of the Association or bind it to any action but which may make recommendations to the Board of Directors or to the officers.

Article X - Contracts

Section 1

The Board of Directors, except as these Bylaws otherwise provide, may authorize any instrument in the name of or on behalf of the Association, and such authority may be general or confined to a specified instance; and, unless so authorized by the Board of Directors, no agent, officer, or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose or to any amount.

Section 2

The actions of the Board of Directors of the Association shall be indemnified to the extent allowed by law. It is the intent of the Association to indemnify its Board of Directors to the extent possible at this time, and any future legislation expanding the scope of indemnification of the Board of Directors shall be automatically incorporated into these Bylaws.

Section 3

The Association may borrow money and issue its promissory notes, bonds, debentures, or instruments as evidence that it will repay its debts, and then repay the debts with interest, and may in connection therewith, provide security for the payment thereof, including mortgaging its real property, and providing security interests in its personal property.

Article XI - Finances

Section 1

The fiscal year of the Association shall be January 1 through December 31.

Section 2

The annual financial statements of the Association shall be audited by a certified public accountant whose report shall be submitted to the Board, and the annual financial statements shall be distributed to all members of the Association.

Section 3

The Board may establish a registration fee for the Annual Meeting or other meetings.

Article XII - Amendment

These Bylaws may be altered or amended by the Board of Directors. Amendment by the Board requires the affirmative vote of not less than two-thirds of the Board members then in office, provided that such amendment has been presented in writing and read at the previous meeting and deposited with the Secretary.