

SUPPLY CHAIN COUNCIL, INC.

BYLAWS

ARTICLE I

NAME

The name of the corporation is Supply Chain Council, Inc. (hereinafter “the Council”), a corporation organized under the Pennsylvania Nonprofit Corporation Law (hereinafter “the Act”).

For purposes of these Bylaws, the term “supply chain management” shall mean the process of planning, implementing and controlling the operations of the supply chain as efficiently as possible; supply chain management spans all movement and storage of raw materials, work-in-process inventory and finished goods between points of origin, consumption and disposal; this also comprehends the flow of information and materials through an enterprise to its customers.

ARTICLE II

OFFICES

The Council shall at all times maintain a registered office within the Commonwealth of Pennsylvania at such location as is determined by the Board of Directors. The Council may also have such other offices within or without the United States of America as is determined by the Board of Directors.

ARTICLE III

MEMBERSHIP

Section 1. Membership Classes.

Any business entity engaged in the practice of supply chain management shall be eligible to apply for membership in the Council. There shall be four classes of membership, as follows:

- a. **End User/Practitioner Member.**
Any business entity that is engaged in supply chain management or is a consumer of supply chain management services shall be eligible to apply for membership in this membership class. Members in this class may include the following: manufacturers; suppliers of raw materials, components, intermediate materials; providers of logistics services; wholesalers; distributors; and retailers. Designated Representatives of End User/Practitioner members will typically hold titles related to operations, logistics, sourcing, distribution, customer service or supply-chain management. This membership class may be divided into subclasses based upon entity size or number of corporate locations, as determined by the Board of Directors.
- b. **Enabling Technology/Software Member.**
Any business entity that offers software or other enabling technologies to enable its customers to achieve best practices in supply chain management processes shall be eligible to apply for membership in this membership class.
- c. **Consultant/Analyst Member.**
Any business entity which offers consulting or research services in any of the recognized supply chain management processes and/or related enabling technologies shall be eligible to apply for membership in this membership class.
- d. **Non-Profit Member.**
Any non-profit organization, including without limitation any accredited college or university, or any association or government agency with an interest in supply chain management, shall be eligible to apply for membership in this membership class.

Any entity eligible for membership in the Council may apply for membership by submitting a completed membership application in a form prescribed by the Board of Directors. Action on such applications shall be by the Board of Directors. The decision of the Board of Directors regarding the appropriate membership class for any applicant or Member shall be final.

Section 2. Voting and Other Rights.

Each Member of the Council shall appoint and certify to the Secretary of the Council an individual who shall be its Designated Representative to the Council and who shall represent, vote and act for the Member in all the affairs of the Council; a Member may change its Designated Representative by providing written notice of such change to the Council. Each Member in good standing shall be entitled to one vote on all matters brought to a vote of the Council membership. Designated Representatives and other employees of Members in good standing shall be eligible to attend all meetings of the Members of the Council. Designated Representatives and other employees of Members in good standing shall be eligible to serve on Council committees. Membership in the Council shall not be transferable.

Section 3. Member Obligations.

Each Member shall be required to abide by these Bylaws and any other rules, regulations or policies established by the Board of Directors, and to pay all dues, assessments and other financial obligations to the Council.

Section 4. Dues and Assessments.

The Board of Directors may determine from time to time the amount of annual dues payable to the Council. In addition, the Board of Directors shall have the authority to determine whether to collect special assessments and to establish the amount of any such assessments. The Board of Directors shall establish a payment schedule for dues and assessments, if any. Dues and assessments shall be non-refundable. Members who fail to pay dues or assessments within thirty (30) days of the time the same become due shall be notified of same, and, if payment is not made within the next succeeding thirty (30) days shall, without further notice and without hearing, be expelled from membership in the Council and thereupon forfeit all rights and privileges of membership.

Section 5. Resignation.

Any Member of the Council may resign from membership by providing written notice of such resignation to the Secretary of the Council. Although any such resignation need not be accepted to be effective, all obligations of a resigning Member to the Council as of the date of resignation shall continue and shall not be affected by any such resignation. All membership rights and privileges shall cease as of the effective date of any Member's resignation. Any membership applicant that has previously resigned from membership in the Council shall, before being readmitted to membership in the Council, first pay to the Council any amounts remaining due and owing from such prior membership.

Section 6. Suspension and Expulsion.

Any Member of the Council may be suspended or expelled from membership in the Council for cause. Sufficient cause for suspension or expulsion shall be a failure to continue to qualify for membership, or a violation of these Bylaws, of any lawful rule or policy duly adopted by the Council or of any obligations of such Member to the Council. Suspension or expulsion shall be by a two-thirds vote of the Board of Directors, provided that written notice of the proposed suspension or expulsion setting forth the grounds for same shall have been given to the Member, and provided further that such notice shall include the time and place of the meeting of the Board of Directors at which the matter shall be considered, and provided further that the Member shall have the opportunity to appear in person and/or to be represented by counsel to present any defense to the charges before action is taken thereon. All obligations of a suspended or expelled Member to the Council as of the date of suspension or expulsion shall continue and shall not be affected by any such

suspension or expulsion. All membership rights and privileges shall cease as of the effective date of any Member's suspension or expulsion. Any membership applicant that has previously been suspended or expelled from membership in the Council shall, before being readmitted to membership in the Council, first pay to the Council any amounts remaining due and owing from such prior membership.

ARTICLE IV

MEMBERSHIP MEETINGS

Section 1. Annual Meeting.

There shall be an Annual Meeting of the Members of the Council on such date and at such time and place as the Board of Directors shall designate, for the election of Directors, unless such election shall be conducted by means of mail or electronic mail ballot, and for the transaction of any other business that may properly come before the meeting. Notice of such meeting and the agenda therefor shall be sent to each Member in good standing at least twenty (20) days but not more than sixty (60) days in advance of the day specified for the meeting with a statement of the day, time and place of the meeting and information as to the subject matter to be considered at the meeting. Notice may be communicated electronically. The Annual Meeting of the Members may be held within or without the Commonwealth of Pennsylvania.

Section 2. Special Meetings.

Special meetings of the Members of the Council may be called by the Chair or by the Board of Directors at a place then designated, and shall be called by the Chair upon the written request of Members holding not less than ten percent (10%) of the votes which all Members would be entitled to cast at such meeting. Notice of such meeting, including the date, time and location of the meeting as well as the subject matter to be considered at the meeting, shall be sent to each Member in good standing at least fourteen (14) and not more than thirty (30) days before said meeting. Notice may be communicated electronically. Meetings of the Members may be held within or without the Commonwealth of Pennsylvania.

Section 3. Quorum, Voting and Proxies.

Each Member shall be entitled to one vote on each matter submitted to the membership for a vote, such vote to be cast by the Member's Designated Representative. Except with regard to voting in elections and as may otherwise be provided herein, the Members may take action by a majority of vote of the Members present, in person or by proxy, at a meeting at which a quorum is present. The presence, in person or by written proxy, of at

least ten percent (10%) of the Members entitled to vote at any meeting of the Members of the Council shall be necessary to constitute a quorum for the transaction of business. To be recognized, proxies must be received by the Secretary at least forty-eight (48) hours prior to the scheduled opening of the meeting at which they are voted; proxies shall expire after the meeting for which such proxy was delivered. The Members present at a duly organized meeting at which a quorum is initially present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. Members may participate in a meeting of the membership by conference telephone or similar communications equipment by means of which all parties participating in the meeting may communicate with each other simultaneously. Any vote of the Members which could be conducted at a meeting of the Members may, if so determined by the Board of Directors, be conducted by mail or electronic mail ballot, or by such other means as is permitted by law.

Section 4. Attendance at Meetings.

Attendance at meetings of the Members of the Council shall be limited to Designated Representatives and other employees of Members, Officers, Directors, committee members, Council staff and guests invited by the Board of Directors.

ARTICLE V

BOARD OF DIRECTORS

Section 1. General Powers.

The Board of Directors shall have supervision, control and direction of the affairs of the Council, shall determine its policies within the limits of these Bylaws, and shall have discretion in the disbursement of its funds. The Board may adopt such rules and regulations for the conduct of its affairs as are consistent with applicable law and these Bylaws. The Board may, in the execution of the powers granted to it, appoint such agents as it may deem necessary.

Section 2. Composition.

The Board of Directors shall be composed of up to fifteen (15) Directors, including the Chair, Chair-Elect, Treasurer, Secretary and Immediate Past Chair, each of whom shall be elected from among the employees or owners of the Members by the Designated Representatives of the Members. The Board shall take steps to insure that at least one (1) representative of a Consultant/Analyst Member, at least one (1) and no more than two (2) representatives of Enabling Technology/Software Members, at least one (1) representative of a Non-Profit Member, and at least eight (8) representatives of End User/Practitioner Members are at all times serving on the Board of Directors.

Any Director who becomes ineligible for service on the Board of Directors shall, unless eligibility is regained within ninety (90) days, be deemed to have resigned from the Board of Directors.

No more than one person from any business entity or group of business entities under common control shall serve on the Board of Directors at any one time. In the event of a merger, acquisition, employment change or other similar event after a Board election, which event results in Board membership in violation hereof, the affected Directors shall be permitted to serve out their terms as Directors and Officers, if any, but (a) only one of such affected Directors, as determined by the affected Directors or, if necessary, by the Nominating Committee, shall be eligible to be nominated for re-election, and (b) if two or more Directors represent the same membership class, they shall be entitled to cast between or among themselves only one vote on all matters brought to a vote of the Board of Directors. Members shall be deemed to be under common control if they are (i) parent and subsidiary (i.e., if one entity owns 50 percent or more of the stock or assets of the other), or (ii) affiliates (i.e., if the stock or assets of each are at least 50 percent owned by the same persons or entities). The Board of Directors shall, in its sole discretion, determine whether Members are under common control.

Section 3. Election.

Following the Board's receipt and approval of the report of the Nominating Committee, the election of Directors shall be conducted, at the discretion of the Board of Directors, either at a membership meeting or by mail ballot, electronic mail ballot or other permissible means. Cumulative voting shall not be permitted. The election ballots shall identify and permit votes for candidates not included in the Nominating Committee slate approved by the Board of Directors, provided that (a) any such additional candidate is otherwise qualified to serve as a Director, (b) the addition of any such candidate is supported by a written petition signed by the Designated Representatives of at least ten percent (10%) of the Members, and (c) that any such petition is received by the Secretary at least thirty (30) days prior to the date established by the Board of Directors for the election or the mailing of ballots.

Section 4. Term.

Each Director shall serve a term of three (3) years beginning 1 July; terms shall be staggered such that approximately one-third of the seats are subject to election each year. A Director may serve no more than two (2) consecutive full terms, unless election to an office of the Council requires further service on the Board. A Director shall continue in office until his or her successor shall be duly elected and qualified, or unless he or she resigns, is removed from office or is otherwise unable to complete a term.

Section 5. Meetings.

An annual meeting of the Board of Directors shall take place during the time set for the Annual Meeting of the Members. Other regular meetings of the Board of Directors shall

be held at such times and locations as shall be determined in advance by the Board of Directors. Special meetings of the Board of Directors may be called at any time by the Chair or by one-third of the Directors.

Section 6. Notice.

Notice of regular meetings of the Board of Directors, stating the time and place thereof, shall be given to all Directors at least fifteen (15) days prior to the date of the meeting. Reasonable notice of special meetings of the Board of Directors, specifying the time, place and subject matter to be considered, shall be given to all Directors. Notice may be given in any manner reasonably calculated to provide actual notice to the Directors, including without limitation personally, by mail, by facsimile, by telephone, or, if permitted by law, by electronic mail.

Section 7. Quorum.

A majority of the Directors of the Council shall constitute a quorum for the transaction of business, and except as otherwise provided by law or in these Bylaws, the act of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the act of the Council. In the absence of a quorum, a majority of the Directors present may adjourn a meeting until a quorum is present. Directors may not vote by proxy.

Section 8. Electronic Communication.

Directors may participate in a meeting of the Board of Directors by conference telephone or similar communications equipment by means or which all persons participating in the meeting can simultaneously hear or receive the communications of each other, and such participation shall constitute presence in person at the meeting.

Section 9. Action Without A Meeting.

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if, prior or subsequent to the action, all Directors then in office consent thereto in writing and the written consents are filed with the minutes of the proceedings of the Board. Written consent may be given by electronic transmission.

Section 10. Resignation.

A Director who fails to attend three (3) consecutive meetings of the Board of Directors shall be deemed to have resigned from the Board, unless such absences are excused by the affirmative act of the Board. A Director may resign at any time by giving written notice of same to the Chair, or, in the case of the Chair, to the Chair-Elect. Such resignation shall become effective upon its receipt by such officer, and the acceptance of such resignation shall not be necessary to make it effective. A Director's resignation

shall not relieve such person from responsibility for actions taken while such person was a member of the Board of Directors.

Section 11. Removal.

The Members may remove a Director at any time, with or without cause, by a two-thirds vote at a regular or special meeting.

Section 12. Vacancies.

If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the allowed number of Directors, the Board of Directors, following receipt of a recommendation from the Nominating Committee, may fill the vacancy. A Director elected to fill a vacancy shall serve out the unexpired term of his or her predecessor.

Section 13. Compensation.

Directors shall not receive any salary or compensation for their services as such, but they may, if so determined by the Board, be reimbursed for any expenditure made by them in the conduct of the business and affairs of the Council.

ARTICLE VI

OFFICERS

Section 1. Officers.

The elective Officers of the Council shall be a Chair, Chair-Elect, Treasurer, Secretary and Immediate Past Chair, all of whom shall be Directors of the Council and employees or owners of End User/Practitioner Members. The Executive Director, who shall be appointed by and serve at the pleasure of the Board of Directors, shall also be an Officer of the Council. The Board of Directors may also appoint such other individuals, who need not be Directors or Designated Representatives of Members, as it deems necessary to serve as Assistant Secretary or Assistant Treasurer of the Council.

Section 2. Election and Term.

The Board of Directors shall, at its final meeting of each Council fiscal year and pursuant to procedures adopted by the Board of Directors, elect from among its then current membership a Chair-Elect, a Treasurer and a Secretary. Officers shall take office on 1 July and shall serve terms of one year. At the conclusion of his or her service as Chair-Elect, the Chair-Elect shall automatically succeed to the office of Chair. At the conclusion of his or her service as Chair, the Chair shall automatically succeed to the office of Immediate Past Chair. No person shall be eligible to serve more than one (1)

consecutive term as Chair-Elect, Chair or Immediate Past Chair. Aside from the limitation upon consecutive terms as a Director, there shall be no limit upon the number of consecutive terms a person may serve as Treasurer or Secretary of the Council.

Section 3. Chair.

The Chair shall be the chief elective officer of the Council and shall preside at all meetings of the Executive Committee, the Board of Directors and the Members. The Chair shall be considered the Council's President for purposes of the Act. Subject to the supervision of the Board of Directors, the Chair shall perform all duties customary to that office and shall supervise and control all of the affairs of the Council in accordance with the policies and directives approved by the Board of Directors. The Chair, Chair-Elect or Executive Director shall, as determined by the Board of Directors, execute on behalf of the Council all contracts and other documents, except when such documents are required by law to be otherwise executed or when the execution thereof shall be delegated by the Board of Directors to another Officer.

Section 4. Chair-Elect.

The Chair-Elect shall, in the absence of the Chair, perform the duties of the Chair. The Chair-Elect shall serve as chair of the Audit Committee and shall perform such additional duties as may be prescribed by the Board of Directors or the Chair.

Section 5. Treasurer.

The Treasurer shall (a) be responsible for the Council's funds and securities, (b) keep, or cause to be kept, full and accurate accounts of receipts and disbursements in books belonging to the Council, (c) deposit, or cause to be deposited, all monies and other valuable effects of the Council in separate accounts or depositories in the name of and to the credit of the Council as shall be designated by the Board of Directors, (d) disburse, or cause to be disbursed, the funds of the Council as may be ordered by the Board of Directors, provided, however, that the Board of Directors may, by resolution, establish procedures for the signing of the Council's checks or other instruments, (e) render to the Board of Directors, whenever it may require it, an account of all transactions and of the financial condition of the Council, (f) serve as chair of the Finance Committee; and (g) perform such other duties as may be prescribed by the Board of Directors or the Chair.

Section 6. Secretary.

The Secretary shall (a) record, or cause to be recorded, all votes of the Council and the minutes of all meetings of the Members, the Executive Committee, the Board of Directors and Council committees in a book to be kept for that purpose, (b) give, or cause to be given, notice of all meetings of the Board of Directors, Executive Committee and Members, (c) keep, or cause to be kept, in safe custody the corporate seal and, when authorized to do so by the Board of Directors, affix the same to any instrument requiring it and attest to it by his or her signature, (d) perform the duties of the Treasurer in the

absence of the Treasurer; and (e) perform such other duties as may be prescribed by the Board of Directors or the Chair.

Section 7. Immediate Past Chair.

The Immediate Past Chair shall serve as chair of the Nominating Committee and shall perform such additional duties as may be prescribed by the Board of Directors or the Chair.

Section 8. Executive Director.

The Executive Director shall report to the Board of Directors and shall perform such duties as are set forth in Article IX, Section 1 of these Bylaws.

Section 9. Resignation and Removal.

Any Officer of the Council, except the Executive Director, may be removed from office by a two-thirds vote of the Board of Directors whenever the Board determines that such removal is in the best interests of the Council. Any Officer may resign from office at any time by submitting a written resignation to the Chair, or, in the case of the resignation of the Chair to the Chair-Elect, and the acceptance of such resignation shall not be necessary for it to be effective. An Officer shall be deemed to have resigned in the event that he or she is no longer an employee or owner of a Member in good standing. An Officer's resignation shall not relieve such person from responsibility for actions taken while such person was an Officer of the Council.

Section 10. Vacancies.

If any elective office of the Council becomes vacant for any reason, the Board of Directors shall elect from among its remaining members a qualified successor who shall hold office for the unexpired term of his or her predecessor.

Section 11. Compensation.

Officers of the Council, except the Executive Director, shall not receive any salary or compensation for their services as such, but they may, if so determined by the Board, be reimbursed for any expenditure made by them in the conduct of the business and affairs of the Council.

ARTICLE VII

COMMITTEES

Section 1. Executive Committee.

The Executive Committee shall be composed of the elective officers of the Council. The Executive Committee may exercise the powers of the Board of Directors, except such powers as are specifically reserved by law to the Board, when the Board is not in session, reporting to the Board of Directors any action taken as soon as practicable, but in no event later than the Board's next succeeding meeting. The Chair shall serve as chair of the Executive Committee. Three (3) Committee members shall constitute a quorum for the transaction of business, and the vote of three (3) Committee members shall be required to take action. Meetings of the Executive Committee may be called by the Chair or by any three (3) members of the Committee. The notice requirements set forth in Article V shall also apply to the Executive Committee.

Section 2. Standing Committees.

The standing committees of the Council, the chairs and members of each of which shall be appointed annually by the Chair with the approval of the Board of Directors, shall be as follows:

- a. Finance Committee (chaired by the Treasurer). The Finance Committee shall be responsible for (a) developing and presenting to the Board the proposed annual budget for the Council, (b) reporting to the Board regarding the Council's performance relative to the annual budget, and (c) overseeing the development and implementation of the Council's investment policy and the investment of the Council's assets.
- b. Audit Committee (chaired by the Chair-Elect). The Audit Committee shall be responsible for (a) overseeing the annual audit of the Council's finances and preparation of the Council's tax returns by an independent auditing firm, and (b) ensuring the Council's compliance with its governance and other legal requirements.
- c. Nominating Committee (chaired by the Immediate Past Chair). Consistent with the obligation to maintain the composition of the Board of Directors as described in Article V, Section 2, the Nominating Committee shall be responsible for developing and presenting to the Board of Directors a slate of nominees for election to the Board of Directors, including at least one nominee for each position to be elected. In so doing, the Nominating Committee shall solicit input from the Members regarding potential candidates for directorships. The Nominating Committee shall also prepare recommendations to the Board of Directors in the event of a vacancy on the Board. Members of the Nominating

Committee shall not be eligible to be nominated for election or appointment to the Board of Directors.

Unless specifically provided to the contrary herein, standing committee members need not be Directors of the Council.

Section 3. Special Committees.

The Chair, with the approval of the Board of Directors, shall have the authority to appoint such special committees, subcommittees or task forces as shall be necessary to the operation and development of the Council.

Section 4. Special Interest Groups.

The Chair, with the approval of the Board of Directors, shall have the authority to establish such industry-specific and other special interest groups as shall be necessary to the operation and development of the Council.

Section 5. Operating Procedures.

The Board of Directors shall establish operating procedures for the Council's committees, subcommittees, task forces and special interest groups.

ARTICLE VIII

CHAPTERS

Section 1. Formation.

Chapters of the Council may be formed by the Board of Directors pursuant to requirements adopted from time to time by the Board of Directors. A Chapter shall not be considered formed unless and until it has entered into a written agreement with the Council, in a form approved by the Board of Directors, pursuant to which the Chapter's and the Council's rights and obligations are clearly set forth.

Section 2. Boundaries.

Chapter geographic boundaries shall be proposed in a chapter application and shall be effective only if approved by the Board of Directors and set forth in the written agreement referenced above in Section 1.

Section 3. Termination.

A Chapter exists at the pleasure of the Board of Directors; its affiliation with the Council may be terminated by a majority vote of the Board of Directors.

ARTICLE IX

ADMINISTRATION

Section 1. Executive Director.

The Executive Director shall be the chief administrative officer of the Council and, subject to the control of the Board of Directors and the Chair, shall manage and supervise and exercise general executive powers concerning all the property, business and affairs of the Council. The Executive Director may either be employed or engaged as an independent contractor directly by the Council, or employed, subject to the approval of the Board of Directors, by a management services provider engaged by the Council; in either event, the Board shall enter into a written agreement with such individual, firm or corporation for the rendering of such services, upon such terms and provisions as the Board of Directors shall see fit. The Executive Director shall be charged with carrying out the policies, programs, orders and resolutions adopted or approved by the Board of Directors, and shall have all powers and perform all duties incident to the office of Executive Director, and any further powers and duties as from time to time may be prescribed by the Board. He or she shall have the power to execute deeds, bonds, mortgages, and other contracts, agreements and instruments of the Council approved by the Board. The duties of the Executive Director shall also include but not be limited to the following:

- a. To attend all meetings of the Members, the Board of Directors and the Executive Committee.
- b. To send out such notices of meetings as may be appropriate or required.
- c. To be responsible for recording and producing minutes of all meetings.
- d. To conduct all correspondence pertaining to the office of Executive Director.
- e. To execute all orders, votes and resolutions not otherwise committed to others.
- f. If required by the Board, to give a good and sufficient bond, at the expense of the Council, in such sum as may be required for the faithful discharge of his or her duties.
- g. In the absence of the Treasurer and Secretary, to serve and perform all duties of the Treasurer.
- h. To perform or be responsible for the performance of all other services required in any employment or management services agreement.

Section 2. Legal Counsel.

The Board of Directors shall have authority to select legal counsel for the Council. In selecting legal counsel, the Board shall have authority to engage a firm of lawyers. Legal counsel's duties shall be set forth either in a written employment agreement or in a written engagement agreement approved by the Board of Directors.

Section 3. Accounting Services.

The Board of Directors shall have the authority to select and engage an independent auditor to prepare the Council's tax returns and to audit the Council's financial statements. The auditor's duties shall be set forth in a written engagement agreement approved by the Board of Directors.

Section 4. Investment Advisory Services.

The Board of Directors shall have the authority to select and engage an investment advisory services professional to advise the Council regarding investment of Council assets pursuant to a written investment policy. The investment advisory service professional's duties shall be set forth in a written agreement approved by the Board of Directors.

ARTICLE X

INDEMNIFICATION/INSURANCE/DIRECTOR LIABILITY

Section 1. Indemnification.

The Council shall, to the full extent permitted by the Act, indemnify any current or former Officer, Director, Member volunteer, employee and agent of the Council ("Indemnitee") against any and all expenses and liabilities actually and necessarily incurred by him or her or imposed upon him or her in connection with any claim, action, suit or proceeding to which he or she may be or is made a party ("Action") by reason of being or having been such Officer, Director, Member volunteer, employee or agent, except in the event of self-dealing, willful misconduct, recklessness or a knowing violation of criminal law. The indemnification provided herein shall not be deemed exclusive of any other rights to which such Officer, Director, Member volunteer, employee or agent may be entitled under any statute, agreement or otherwise and shall not restrict the power of the Council to make any indemnification permitted by law. Any Indemnitee hereunder shall be entitled as of right to have his or her expenses in defending any Action paid in advance by the Council prior to final disposition of such Action, provided that the Council receives a written undertaking by or on behalf of the Indemnitee to repay the amount advanced if it should ultimately be determined that the Indemnitee is not entitled to be indemnified for such expenses. In the event of the

settlement of any Action, the indemnification provided for herein shall be effective only if the Board of Directors shall approve such settlement and reimbursement as being in the best interest of the Council.

Section 2. Insurance.

The Council may purchase and maintain insurance to protect itself and any person eligible to be indemnified hereunder against any liability or expense asserted against or incurred by such person in connection with any Action, whether or not the Council would have the power to indemnify such person against such liability or expense by law or under the provisions of this Article.

Section 3. Liability of Directors.

Except as otherwise provided in the Act, no Director of the Council shall be personally liable for monetary damages for any action taken unless the Director breached or failed to perform the duties of the office as defined in the Act and the breach or failure to perform constituted self-dealing, willful misconduct or recklessness.

ARTICLE XI

GENERAL

Section 1. Seal.

The corporate seal shall have inscribed thereon the name of the Council, "Supply Chain Council, Inc.," the year of its organization (1997), and the words "Non-Profit Corporation Seal, Pennsylvania." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 2. Fiscal Year.

The fiscal year of the Council shall be as determined from time to time by the Board of Directors.

Section 3. Loans.

The Council shall not make any loan of money or property to, or guarantee any obligations of, any Officer, Director or Member of the Council.

Section 4. Books and Records.

The Council shall maintain a record of the proceedings of the Board of Directors, committees and Members, a copy of the Bylaws, and all amendments thereto, certified by

the Secretary, copies of all required annual reports, and appropriate, complete and accurate books and records of account, which records shall be kept at such reasonably accessible location as the Secretary may determine.

Section 5. Parliamentary Procedure.

To the extent not inconsistent with the Act, the Council's Articles of Incorporation, these Bylaws or policies, rules and procedures adopted by the Board of Directors, the provisions of the most recent edition of Robert's Rules of Order, Newly Revised, shall apply to the operation of the Council.

ARTICLE XII

AMENDMENTS

Except as may be otherwise required by the Act,¹ these Bylaws may be amended by a two-thirds vote of the Board of Directors, provided that the nature of the proposed amendment has been set forth in the notice of the meeting. The provisions for giving advance notice of the proposed amendment prior to a meeting may be waived by the unanimous consent of the Directors present at the meeting at which the proposed amendment is offered. Should the Act require membership approval of an amendment to these Bylaws, a majority vote of the Members shall be required, and the notice for the meeting at which the amendment is to be considered shall include the proposed amendment or a summary of the changes to be effected thereby.

¹ The Pennsylvania Nonprofit Corporation Law requires membership approval of Bylaw amendments which affect (i) member voting rights or membership classes, (ii) membership meetings and the required quorum for such meetings, (iii) voting by proxy, (iv) the process by which directors are selected, (v) the removal or voting rights of directors, or (vi) the winding up of the Council's affairs and distribution of any remaining assets.