

**Kantara Initiative, Inc.**

*Bylaws*

## Article 1 DEFINITIONS

Whenever a term defined below is used, it is used as defined. If the word or phrase does not have leading capital letters, then it is to be interpreted within the context of the specific text.

- 1.1** “**Affiliate**” or “**Affiliates**” means any entity that is controlled by, under common control with, or that controls the subject party. For purposes of this definition, “control” means direct or indirect control of more than fifty percent (50%) of the voting power to elect directors of a corporation or, for any other entity, the power to direct management of such entity.
- 1.2** “**All Member Ballot**” shall mean any vote conducted by the Corporation in which all Members of the Corporation in good standing shall be eligible to cast a ballot.
- 1.3** “**Director**” means a natural person elected pursuant to Article 4 of these Bylaws.
- 1.4** “**Board of Directors**” shall have the meaning set forth in Article 4 of these Bylaws. Use of the term “Board” in these Bylaws shall have the same meaning as “Board of Directors”.
- 1.5** “**Certificate of Incorporation**” means the Certificate of Incorporation of the Corporation filed with the State of Delaware, as may be amended from time to time.
- 1.6** “**Change of Control**” means a change in ownership or control of Member effected through any of the following transactions: (a) a merger, consolidation or reorganization approved by Member’s equity holders, unless securities representing more than sixty percent (60%) of the total combined voting power of the voting securities of the successor entity are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned Member’s outstanding voting securities immediately prior to such transaction; (b) any transfer or other disposition of all or substantially all of Member’s assets; or (c) the acquisition, directly or indirectly, by any person or related group of persons (other than Member or any Subsidiary of Member or any person currently owning, beneficially or of record, equity securities of Member), of beneficial ownership (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing more than forty percent (40%) of the total combined voting power of Member’s outstanding securities.
- 1.7** “**Charter**” means the documents as defined below for forming a Work Group.
- 1.8** “**Confidential Information**” means only the following: (i) meeting minutes of any closed session meeting of the Board of Directors; (ii) discussions of the Board of Directors and Groups relating to accreditation, approval and interoperability; (iii) materials that are subject to any third party confidentiality obligation; and (iv) all other information that is designated as Confidential Information by the Board of Directors that is distributed to Members (via the Corporation’s information distribution infrastructure or otherwise) by an officer of the Corporation or a chairperson of a Work Group.
- 1.9** “**Consensus**” shall mean the lack of a sustained objection to the issue under consideration.
- 1.10** “**Corporation**” means Kantara Initiative, Inc.

- 1.11 “**Discussion Group**” shall mean any group formed by Members or Non-Member Participants as described in Article 5.7 of these Bylaws.
- 1.12 “**Groups**” shall mean the Discussion Groups and the Work Groups.
- 1.13 “**Intellectual Property Rights Policy**” shall refer to the intellectual property rights option defined in the Kantara Initiative Intellectual Property Rights Policies document under which Group is chartered to operate.
- 1.14 “**Leadership Council**” means the group defined in Article 5 of these Bylaws responsible for the leadership and oversight of technical activities. Use of the term “Council” in these Bylaws shall have the same meaning as “Leadership Council”.
- 1.15 “**Leadership Team**” means the chair, vice-chair, and secretary of the Leadership Council.
- 1.16 “**Majority**” shall mean more than 50% of all members of a group. (See also Simple Majority, Supermajority and Supermajority of those Voting).
- 1.17 “**Member**” shall mean an individual or an entity that has completed the application forms, satisfied the objective membership criteria for the Corporation, executed a copy of the Member Agreement, and paid the appropriate membership fee as established by the Board of Directors. For purposes of these Bylaws, a Member and its Affiliates shall be deemed as one Member and an individual Member may not be employed by any other Member.
- 1.18 “**Non Member-Participant**” means any individual, corporation, partnership, joint venture, trust, limited liability company, business association, governmental entity or other entity as described in Article 8.
- 1.19 “**Quorum**” shall mean that more than fifty percent (50%) of the Voting Members of the applicable group (i.e. the Board of Directors, Leadership Council, Work Group, or other group established by the Corporation) are present, either in person, by telephone or by such other means as may be prescribed by such group or by these Bylaws.
- 1.20 “**Recommendation**” shall mean any output of a Work Group, e.g., draft Technical Specification, policy, guidelines, procedures, etc.) that has been approved by a Supermajority of those Voting in an All Member Ballot.
- 1.21 “**Report**” shall mean any output of a Work Group or Discussion Group that is **not** a draft Technical Specification nor a Recommendation, e.g., policy, guidelines, procedures, etc.) that has been approved by a Supermajority of those Voting in an All Member Ballot.
- 1.22 “**Simple Majority**” shall mean more than 50% of all those casting a vote (excluding abstentions). (See also Majority, Supermajority and Supermajority of those Voting).
- 1.23 “**Standards Setting Organization**” or “**SSO**” shall mean any external body identified by the Board of Directors as a standards Corporation to which Technical Specifications created by Work Groups, and approved by an All Member Ballot, may be submitted.

- 1.24** “**Supermajority**” shall mean at least 75% of all members of a group. (See also Simple Majority, Majority and Supermajority of those Voting).
- 1.25** “**Supermajority of those Voting**” shall mean at least 75% of those casting a vote (excluding abstentions). (See also Majority, Simple Majority, and Supermajority).
- 1.26** “**Technical Specification**” shall mean a document created by a Work Group that is expressly designated as a “Technical Specification” and that contains detailed technical information of a nature that must be implemented as described therein for an implementation thereof to be deemed compliant. A Work Group Charter shall identify an SSO (or multiple SSOs) to which the Technical Specification should be submitted for consideration for adoption as an SSO Standard.

Note the following related definition repeated here for clarification, from the Kantara Initiative, Inc. IPR Policies – Version 2.0, February 16, 2017

"Fully Compliant Implementation" shall mean: (a) an implementation of a Corporation Recommendation Technical Specification which supports or implements all of the portions of that Corporation Recommendation Technical Specification defined by that Corporation Recommendation Technical Specification as being "Required"; or (b) an implementation of an optional portion of a Corporation Recommendation Technical Specification or optional Corporation Recommendation Technical Specification which supports all portions defined by that optional portion of the Corporation Recommendation Technical Specification or that optional Corporation Recommendation Technical Specification as being "Required"; and, in each instance, (c) an implementation of all portions of a Corporation Recommendation Technical Specification required for a specific type of product or component thereof.

- 1.27** “**Voting Member**” shall mean a member of a Group that has met the voting eligibility criteria for that Group.
- 1.28** “**Work Group**” shall mean any group chartered by the Leadership Council as described in Article 5 of these Bylaws.

## **Article 2      OFFICES; PURPOSE; DURATION; FREEDOM OF ACTION**

- 2.1 Principal Office.** A principal office of the Corporation will be created to perform administrative and operational functions for the Corporation.
- 2.2 Change of Address.** The location of the Corporation’s principal office may be changed from time to time by the Board, which change of address shall be effective upon written notice to all Members.
- 2.3 Other Offices.** The Corporation may also have offices at such other places as its business and activities may require, and as the Board may, from time to time, designate.
- 2.4 Purpose.** The Corporation has as its primary focus to grow and fulfill the market for trustworthy use of identity and personal data. Its vision is for equitable and transparent exchange of identity and personal data for mutual value. In furtherance of these efforts, the Corporation and its Members shall seek to solicit the participation of all interested parties on a fair, equitable and open basis.
- 2.5 Duration.** The duration of the Corporation shall be perpetual but may be dissolved at any time upon a Supermajority vote of the Board of Directors.
- 2.6 Freedom of Action.** Neither participation in the Corporation nor the Corporation’s approval or release of a specification shall require any Member or Non-Member Participant to use or implement the specification or preclude any Member or Non-Member Participant from developing or employing additional, competing or alternative products, specifications or implementations, or foreclose taking a different course of action should any Member or Non-Member Participant so desire.

## Article 3      GOVERNANCE

**3.1 Controlling Documents.** The governing documents of the Corporation shall be, in this order, the Certificate of Incorporation, these Bylaws, the Operating Procedures and other policies as approved by the Board. These documents shall be updated as events and time necessitates where there is consensus to do so. Where the documents, policies and applicable law do not specifically address an issue, then the most recently published version of Roberts Rules of Order shall be the controlling document.

**3.2 Board of Directors and Leadership Council.** The Corporation is composed of two leadership groups with distinct responsibilities: the Board of Directors and the Leadership Council.

The Board of Directors shall have fiduciary, administration, and staff oversight responsibilities for the Corporation. The Board shall appoint one (1) Director as a voting representative to the Leadership Council.

The Leadership Council has oversight responsibility for Work Groups and Discussion Groups. The Leadership Council is composed of representatives of each of the Groups. The Leadership Council shall appoint one (1) of its members as a voting representative to the Board of Directors.

**3.3 Decision Making.** Except in those cases where a vote is specifically required by these Bylaws or other controlling documents, the Corporation shall seek to reach its decision by Consensus. When no Consensus can be reached in a timely manner, the decision shall be reached by voting as defined in these Bylaws. Except when otherwise specified in these Bylaws, approval requires a Simple Majority of those voting when a Quorum exists. Except as expressly set forth herein, voting percentages required are to be calculated in terms of the number of “Yes” and “No” votes cast by those voting members present when a Quorum exists. Only “Yes” and “No” votes shall be counted, and abstentions or non-votes shall not be counted, but also shall not affect the determination as to whether a Quorum exists. In the event of a tie, the Chair of the Board, Committee, sub-Committee, Group or Council (as applicable) shall have the deciding vote.

## **Article 4      BOARD OF DIRECTORS**

### **4.1 Roles and Responsibilities.** Roles and responsibilities of the Board of Directors include, but are not limited to:

- Review/approval of all budget requests;
- Setting the Member Fee and Assurance Program Fee Schedules;
- Establishing and amending the Corporation's Policies and Procedures including:
  - These Bylaws
  - Finance Policy
  - Document Policy
  - Intellectual Property Rights Policy
- Approval of contracts;
- Management of Corporation contractors;
- Management of Corporation assets;
- Marketing and Public Relations;
- Approval of the Operating Procedures;
- Establishing and maintaining an approved list of Standards Setting Organizations (SSOs) to which draft Technical Specifications may be proposed for adoption as standards;
- Preparing and publishing an annual report; and
- Ensuring that the Corporation has adequate Directors and Officers liability insurance.

### **4.2 Nomination, Election, and Term of Directors**

**4.2.1 Directors.** At the discretion of the Board, it can call for the nomination and election of Directors. The term for these Directors will be for two (2) calendar years and will expire at the end of each year on December 31st. No elected Director may serve more than three (3) consecutive terms. If any elected Directors resign or vacate their position before the end of their term, the Board may initiate an election to fill the remaining time of the term(s) at their discretion.

**4.2.2 Nominations.** At the direction of the Board, the Nominating Committee shall solicit nominations to the Board of Directors and shall provide to the Board a slate of candidates for Election.

**4.2.3 Election Process.** The voting process takes place within the voting period prescribed at the discretion of the incumbent Board of Directors and uses an All-Member Ballot procedure.

**4.2.4 Voting Rules.** A Supermajority (75% affirmative) of those voting in the All-Member Ballot is required to approve each Director.

**4.2.5 Eligible Voters.** The All-Member Ballot process to elect Directors is open to all Members of Kantara Initiative in good standing at the time of the election. Each Principal Member (Organization) may cast only one vote. Each Individual Member may cast one vote. Checks of membership status and one-vote per member will be confirmed by staff.

**4.2.6 Leadership Council Directors.** The Leadership Council shall appoint one (1) Director to the Board of Directors. This Director shall be appointed for a two (2) year term and for a maximum of three (3) consecutive terms, and shall be elected by the Leadership Council from the current Members of the Leadership Council.

**4.3 Number of Directors.** The number of Directors of the Corporation shall be set by the Board and may vary between a minimum of two (2) and a maximum of eleven (11) Directors.

**4.4 Reaching a Decision.**

**4.4.1 Consensus.** The Board shall seek to reach its decisions by Consensus.

**4.4.2 Voting.** When no Consensus can be reached in a timely manner, the Board shall make decisions by voting as described in Article 3.3 above and Article 9.3 below.

Except for procedural matters (for example, whether to adjourn a meeting), the Board shall not make any decisions, whether by Consensus or by voting, unless a Quorum exists.

No Board Member shall have more than one vote in Board actions.

**4.5 Election and Duties of Chair.** The Board shall elect by majority vote a Chair of the Board from its Directors for an annual term ending on December 31st of the current year. The Chair may not also serve as the President or as the Executive Director of the Corporation. The Chair may serve multiple terms if duly elected, provided that no Director may be elected Chair in the first year of their first Term without a supermajority vote of the Directors. The Chair presides over board meetings, sets the agenda, and facilitates discussions among board members, and shall have other such duties as may from time to time be agreed by the Board.

**4.6 Election of Officers.** The Board shall elect by majority vote the Officers from its Directors for an annual term ending on December 31st of the current year. The officers may serve multiple terms if duly elected provided that no Director may be elected as an Officer in the first year of their first Term without a supermajority vote of the Board.

**4.7 Board Meetings.** The Board shall meet as frequently as is prudent to carry out its responsibilities, and such meetings may be held in person, by telephone or video conference, or such other means as the Board deems appropriate. The Board may, upon at least a fifty percent (50%) vote, choose to go into a closed (‘Executive’) session to consider matters of such sensitivity or confidentiality as to merit such treatment.

**4.8 Board Action without a Meeting.** Any action that the Board is required or permitted to take may be taken without a meeting if all Directors consent in writing to that action. Consent by a Director sent by email or other electronic means is considered written consent to the extent permissible under the General Corporation Law of the State of Delaware, as it exists on the date hereof or is hereafter amended. Such action by signed consent shall have the same force and effect as any other validly approved action of the Board. All consents shall be filed with the minutes of the proceedings of the Board.

**4.9 Removal and Resignation of a Director.** By a Supermajority vote of the Board, the Board may remove a Director with or without cause, as permitted by and in accordance with the laws of the State of Delaware. A Director may resign at any time effective upon giving written notice to the Chair of the Board.

**4.10 Committees.** The Board shall designate the following Sub-Committees: Finance Sub-Committee, Assurance Review Board Sub-Committee, Nominating Sub-Committee. The Corporation shall have additional Sub-Committees from time to time as may be approved by the Board. Meetings and actions of Sub-Committees shall be governed by, noticed and held in accordance with written Sub-Committee procedures to be approved by the Board (hereinafter “Sub-Committee



Procedures”), which shall apply to all Sub-Committees. The Board may from time to time amend such Sub-Committee Procedures. Upon formation, a Sub-Committee may, through its chairperson, propose specific procedures to govern that particular Sub-Committee (hereinafter “Specific Sub-Committee Procedures”). Proposed Specific Sub-Committee Procedures are subject to approval by the Board.

**4.11 Nonliability of Directors.** The Corporation will at all times maintain adequate Directors and Officers liability insurance. Directors and Members with an employee serving as a Director shall not be liable for the debts, liabilities, or other obligations of the Corporation.

**4.12 Compensation.** The Directors of the Corporation shall not be compensated for services rendered to the Corporation either as Directors or as members of any committee of Directors, except that a Director shall be entitled to reimbursement for reasonable expenses incurred on behalf of the Corporation in line with the any such Policy of the Corporation as may be agreed by the Directors from time time time. Nothing herein shall preclude a Director from serving the Corporation in any other capacity, including without limitation as a legal representative, accountant or other professional, and receiving compensation for such services.

## Article 5 LEADERSHIP COUNCIL

**5.1 Leadership Council.** The Leadership Council shall be composed of the elected chairs, co-chairs or vice chairs of each Work Group and Discussion Group.

The Board shall appoint one (1) voting member to the Leadership Council from the incumbent Board of Directors. This Leadership Council member shall be appointed for a one (1) year term (there is no limit in the number of terms an individual may be appointed to). The Executive Director of the corporation, if appointed, shall be an ex-officio member of the Leadership Council.

The roles and responsibilities of the Leadership Council include:

- Approval of new and revised Work Group and Discussion Group Charters;
- Oversight of the operations and expenditures of all Groups;
- Disbanding Groups;
- Certification of Work and Discussion Group output for Member ballot;
- Preparation of annual and supplemental budget requests to the Board of Directors for funding of Leadership Council sponsored Groups; and
- Development and maintenance of the Operating Procedures, subject to approval by the Board of Directors.

**5.2 Leadership Team.** The Leadership Council shall elect from its members a chair, vice-chair, and secretary. The terms and duties of the Leadership Team shall be as defined in the Operating Procedures.

**5.3 Nonliability of Leadership Council.** Leadership Council members and Members with an employee serving as a Leadership Council member are not Directors of the Corporation and shall not be liable for the debts, liabilities or other obligations of the Corporation.

**5.4 Reaching a Decision.**

**5.4.1 Consensus.** The Leadership Council shall seek to reach its decisions by Consensus.

**5.4.2 Voting.** When no Consensus can be reached in a timely manner, the Leadership Council shall make decisions by voting as described in Article 3.3 above and Article 9.3 below.

Except for procedural matters (for example, whether to adjourn a meeting), the Leadership Council shall not make any decisions, whether by Consensus or by voting, unless a Quorum exists.

A Work Group shall have a single (one) vote in the Leadership Council. No individual Member (i.e., a member who is the chair of multiple work groups) shall have more than one vote in Leadership Council actions. In the event the Chair is representing another separate Work Group, a Work Group co-chair or the Work Group vice chair may represent the Work Group for any Leadership Council action or at any Leadership Council meeting.

**5.5 Work Group.** A Work Group may be established to cover work in areas including but not limited to technical, policy/guideline, business/marketing and special interests. Approval for the formation of a Work Group requires approval of the Work Group Charter by a Simple Majority vote of the Leadership Council. The Leadership Council shall provide timely notice of the formation and chairperson of a Work Group. Submission of a Work Group Charter for approval requires the signature of three (3) or more proposed participants of the Work Group, at least two (2) of whom must be Members.

A proposed Work Group Charter shall include:

- The name of the group;
- The Members that initially desire to perform the work;
- Specific area and scope to be the subject of the Work Group;
- Target SSOs (Standards Setting Organizations) for submission of any Technical Specifications to be produced by the WG;
- Tasks to be carried out by the Work Group;
- An indication of the time frame for the work (limited duration or ongoing);
- Intellectual Property Rights Policy; and
- Other information as may be required by the Operating Procedures.

The Work Group shall elect a chairperson from amongst its Members to chair the Work Group. The elected Work Group chair shall be a voting member of the Leadership Council. A Work Group may elect co-chairs or a vice chair.

Membership in a Work Group shall require consenting to the Intellectual Property Rights policy of the Work Group, both for Members and for Non-Member Participants.

**5.6 Member Ballots of Work Group Recommendations.** Upon a Simple Majority vote, a Work Group may declare a draft Recommendation to be complete and submit the draft Recommendation to the Leadership Council with a request that it be submitted to an All Member Ballot.

The criteria established in the Operating Procedures shall be used by the Leadership Council in determining to certify the Work Group output for an All Member Ballot.

A Simple Majority of those Voting of the Leadership Council is required to certify the Work Group draft Recommendation for an All Member Ballot. A Supermajority of those Voting in the All Member Ballot, with at least 15% of all Members voting, shall be required to approve a Recommendation.

In the case where an approved Recommendation is a Technical Specification, the Board will prepare, in a timely manner, a license facilitating the submission of the Technical Specification to a Standard Setting Organization as specified in the All Member Ballot.

**5.7 Discussion Group.** Any three (3) or more participants may form a Discussion Group by submitting a Discussion Group proposal to the secretary of the Leadership Council for approval by the Leadership Council. A Discussion Group may be formed to discuss new ideas, special interests, birds-of-a-feather topics, the formation of a new Work Group, a task for an existing Work Group, or any other area of interest to a group. The Leadership Council shall provide timely notice of the formation and Leader.

A Discussion Group may not produce draft Recommendations.

The Leader of a Discussion Group may participate, but does not have voting privileges, in the Leadership Council.

A Discussion Group proposal shall include:

- A name for the group;

- A description and scope of the topic(s) to be discussed;
- The Leader of the group;
- The names and email addresses of the initial participants; and
- Other information as may be required by the Operating Procedures.

Membership in a Discussion Group shall require consenting to the Intellectual Property Rights policy of the Discussion Group, both for Members and for Non-Member Participants.

## Article 6 OFFICERS

- 6.1 Designation of Officers and Executive Director.** The elected officers of the Corporation shall include a President, Secretary and Treasurer. The Corporation may also have such other officers with such titles as may be determined from time to time by the Board. All officers must be Directors and shall be elected by a majority vote of the Board. The President may not also serve as Chair of the Board. The officers of Secretary and Treasurer may be combined into one role upon Supermajority approval of the Board.
- 6.2 Executive Director.** The Board may hire an Executive Director to manage the business affairs of the Corporation on a daily basis. The Executive Director shall be selected by the Officers and approved by the Board. The Executive Director shall report to the Board and shall be subject to the oversight of the Board. The Executive Director shall be a non-voting member of the Board and shall perform such undertakings as are necessary to manage the daily needs of the Corporation as defined by the Board and the Operating Procedures. The Executive Director may not be a Non-Member Participant nor Member nor an employee of a Non-Member Participant or Member unless approved by a unanimous vote of the Directors. The Board may, by Supermajority vote, elect the Executive Director as President.
- 6.3 Duties of President.** The President shall be the chief executive officer of the Corporation and shall act as the chief administrator of the Board. The President shall have other powers and perform such other duties as may be prescribed by law, the Certificate of Incorporation, these Bylaws, or as may be prescribed by the Board.
- 6.4 Duties of Secretary.** The Secretary records and distributes Board meeting results, including voting results. In general, the Secretary performs all duties incident to the office of Secretary and such other duties as may be required by law, the Certificate of Incorporation, these Bylaws, or as may be prescribed by the Board.
- The Secretary shall:
- Certify and keep at the principal office of the Corporation the original, or a copy, of the Certificate of Incorporation and these Bylaws as amended or otherwise altered to date;
  - Keep at the principal office of the Corporation or at such other place as the Board may determine, a book of minutes of all meetings of the Board, and, if applicable, meetings of Board committees;
  - Ensure that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
  - Be custodian of the records of the Corporation; and
  - Maintain a membership roster containing the name and address of each and any Members.
- 6.5 Duties of Treasurer.** The Treasurer is responsible for the financial transactions of the Corporation in accordance with the Board-approved Finance Policy. The Treasurer shall exercise oversight of any Financial Services contractor and serve as the chair of the Board Finance Committee. The Treasurer shall prepare and present to the Board (at a minimum) quarterly financial reports on all Corporation finances. The Treasurer shall have other powers and perform such other duties as may be prescribed by law, the Certificate of Incorporation, these Bylaws, or as may be prescribed by the Board.
- 6.6 Compensation.** With the exception of the Executive Director, whose services may be provided

pursuant to a consulting and services agreement between the Corporation and an outside contractor or an employee agreement between the Corporation and an individual, elected officers shall serve without compensation by the Corporation, unless the Board authorizes compensation.

- 6.7 Delegation.** Officers may delegate to employed staff of the Corporation some or all of their responsibilities under this Article 6 provided that Officers remain ultimately responsible for the timely, complete and accurate discharge of their duties.
- 6.8 Nonliability of Officers.** Officers and Members with an employee serving as an Officer shall not be liable for the debts, liabilities or other obligations of the Corporation.
- 6.9 Removal and Resignation.** The Board may remove any officer from his or her elected office, either with or without cause, at any time by a Supermajority vote of the Board. Any officer may resign at any time by giving written notice to the Board. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Article 6.9 shall be superseded by any conflicting terms of a contract that has been approved by the Board relating to the employment of any officer of the Corporation.
- 6.10 Vacancies.** Any vacancy caused by the death, resignation, removal, disqualification or otherwise, of any officer shall be filled by the Board. In the event of a vacancy in any office, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices created at the discretion of the Board may or may not be filled as the Board shall determine.

## Article 7 BUDGET

- 7.1 Leadership Council Budget Requests.** On an annual basis the Leadership Council shall prepare budget requests for inclusion in the annual budget of the Corporation. These budget requests shall be submitted to the Treasurer in a timely manner as identified in the Finance Policy. Supplemental budget requests may be submitted to the Board during the remainder of the year as needed.
- 7.2 Preparation of Draft Budget.** The Treasurer, with the assistance of the Board Finance Committee, will draft an annual budget for the coming year, based on the advice and consent of the Board. This draft shall be subject to a period of review and discussion between the Board and the Leadership Council.
- 7.3 Approval of Budget.** Upon completion of the review, the Board shall vote on the proposed budget. Adoption of the budget shall require approval of a Majority of the entire Board.

If the Board rejects the proposed budget, the Leadership Council may propose new amendments and through the Treasurer submit the revised proposed budget as amended to the Board for approval.

In the unlikely event of a delay in the approval of an annual budget the Treasurer has the discretion to approve expenditures as may be required to sustain the ongoing operations of the Corporation at levels commensurate with the previous year's budget.

## Article 8 MEMBERSHIP PROVISIONS

- 8.1 Membership Fee Schedule.** On an annual basis the Board shall establish a schedule of membership fees for each class of Members. Any changes to the annual fees from year to year shall require a Supermajority vote of the Board.
- 8.2 Admission to Membership. Qualified** applicants shall be admitted to membership upon affirmation of the Bylaws, the Operating Procedures, the execution of a Membership Agreement, and payment of the applicable annual dues as set forth in the Schedule of Fees and Dues.
- 8.3 Member Classes.** There shall be 2 classes of Members and one Non-Member Participant class. The classes of Members include: 1) Principal Member and 2) Individual Member. The Board may add or eliminate classes of Members and the Non-Member Participant class at any time pursuant to these Bylaws. All classes of membership and the Non-Member Participant class shall have the rights, benefits, and privileges conferred by the Board of Directors from time to time and published on the Corporation’s website, which rights, benefits, and privileges shall be subject to change or elimination by the Board of Directors.
- 8.4 Principal Members.** A Principal Member is any entity that has completed the necessary application forms, satisfied the objective Principal Member criteria for the Corporation, executed a copy of the Member Agreement (with Principal Member selected), and paid the appropriate Principal Member fee as established by the Board. A Principal Member may be a corporation, partnership, joint venture, trust, limited liability company, business association, governmental entity or other entity.
- 8.5 Individual Members.** An Individual member is any person that has completed the necessary application forms, satisfied the objective Individual Member criteria for the Corporation, executed a copy of the Member Agreement (with Individual Member selected), and paid the appropriate Individual Fee as established by the Board. An individual member may be a person only and may only participate under the Individuals name and not a corporation, partnership, joint venture, trust, limited liability company, business association, governmental entity or other entity.
- 8.6 Non-Member Participants.** The Non-Member Participant class shall have the rights, benefits, and privileges conferred by the Board of Directors from time to time and published on the Corporation’s website, which rights, benefits, and privileges shall be subject to change or elimination by the Board of Directors. A Non-Member Participant may be a person only and may only participate under the individual’s name and not a corporation, partnership, joint venture, trust, limited liability company, business association, governmental entity or other entity.
- 8.7 Fees and Dues.**
- 8.7.1** Initial dues shall be due and payable upon the Member’s execution of the Membership Agreement. Thereafter, yearly dues shall be invoiced as specified in the Schedule of Fees and Dues.
- 8.7.2** Any Member sixty (60) days or more delinquent in the payment of Annual membership fee obligations under these Bylaws and in accordance with Corporation policies that may be established from time to time (subject to a reasonable opportunity to cure), shall be in breach, and in addition to any other remedies available at law or in equity, shall be precluded from further participation as a Member in the activities of the Corporation until such breach is fully remedied.



- 8.8 Number of Members.** There is no limit on the number of Members the Corporation may admit. The Board may, however, in its sole discretion, limit the number of participants so long as such limitations are not imposed for the purpose of excluding otherwise qualified applicants from membership.
- 8.9 Membership Roll.** The Corporation shall keep a membership roll in accordance with a Board-approved Document Policy. Membership in the Corporation is a matter of public record; however, membership lists will not be sold or otherwise be made available to third parties beyond (i) a Service Management organization if one is under contract to operate the activities of the Corporation and (ii) with the written agreement of the Principal Member, listing of the Company name in a register of members as may be published on the Kantara web site and in other Kantara public materials (both printed and digital) from time to time.
- 8.10 Nonliability of Members.** No Member of this Corporation, as such, shall be individually liable for the debts, liabilities or obligations of the Corporation.
- 8.11 Nontransferability of Memberships.** A Member may not transfer, assign or sublicense any of its rights or obligations under these Bylaws without the prior written approval of the Board. A third party further may not assume any of a Member's rights or obligations under these Bylaws incident to a Change of Control of Member, without the written consent of the Board. Any attempted transfer by a Member in violation of this Article shall be null and void.
- 8.12 Publicity.** Except as expressly set forth herein, no Member or Non-Member Participant may use the name of any other Member or Non-Member Participant in any form of publicity without the written permission of the other(s) whose names it wishes to use; provided, however, that any Member may, with the approval of the Board, publicly disclose the identity of other Members in documentation, press releases, brochures and other materials, provided that all such references are truthful and accurate. In addition, any Member may publicly disclose the fact and nature of its own participation in the Corporation in documentation, press releases, brochures and other materials. The Corporation may make a press or other public announcement (including website listings) regarding any subject germane to its purposes provided that prior written consent is received from any Member or Non-Member Participant named in the press release or public announcement. Such prior written consent need not be obtained where the press release or public announcement made by the Corporation solely names the Member or Non-Member Participant as a Member or Non-Member Participant in the Corporation and contains no other references to such Member or Non-Member Participant, unless the Member or Non-Member Participant opts out of such listing in a writing delivered to the Corporation (such writing may include the checking of an appropriate "opt-out" box on the Participation Agreement).
- 8.13 Termination of Membership.** Membership may be terminated for the reasons listed below. All rights of a Member in the Corporation shall cease on termination of membership as herein provided.

A Member terminated from the Corporation shall not receive any refund of dues already paid for the current dues period.

**8.13.1 Withdrawal by Member.** A Member may withdraw from Corporation at any time by submitting a written notice to the Corporation Secretary.

**8.13.2 Failure to Pay Membership Fees.** Membership may be terminated for failure to pay membership dues. Such termination shall be made no less than fifteen (15) days after a

written Final Notice of delinquency is sent to the delinquent Member, and no less than sixty (60) days after the membership invoice due date. The Final Notice may be given personally, electronically mailed or mailed to such Member by the Treasurer or Executive Director of the Corporation or other entity authorized by the Corporation. A Member may avoid termination by paying the amount of delinquent dues prior to the termination of the fifteen (15) day Final Notice period. The Treasurer shall notify the Board of the pending termination, but no Board action is required to effect the termination.

**8.13.3 Material Breach of Members Obligations.** The Board may terminate any Membership in the Corporation for any material breach of the Member's obligations hereunder. Termination under this clause requires a Supermajority vote of the entire Board after affording the Member in question the right to be heard on the issue. Grounds for termination include material violation of these Bylaws, Corporation policies, procedures or duties of membership herein, including the requirements for Membership.

**8.13.4 Upon a Member's Dissolution.** Termination of membership will occur upon the dissolution of the Member.

## Article 9      MEETINGS OF MEMBERS

- 9.1 Place of Meetings.** Meetings of Members shall be designated from time to time by the Board. At the discretion of the Board, meetings may be held in person or by any combination of audio, teleconferencing, or videoconferencing techniques.
- 9.2 Notice of Meetings.** Notice stating the place, day and hour of the Members' meeting shall be provided not less than thirty (30) days in advance thereof. The primary means for the provision of notice shall be via electronic mail to the Member at the electronic mail address as it appears on the records of the Corporation. Whenever any notice of a meeting is required to be given to any Member of this Corporation under these Bylaws, a waiver of notice in writing signed by the Member, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.
- 9.3 Voting.** Where an action requires a vote of the Membership, the vote may be conducted at a meeting or via written or electronic ballot.
- 9.3.1 At Meetings.** Voting at meetings shall be by a show of hands if held in person, or by voice ballot if held by audio, videoconferencing or teleconferencing techniques, unless otherwise required. Results of all Board voting shall be distributed to all Members by the Executive Director within thirty (30) days of each ballot. Written confirmation of any and all ballot results shall be maintained with the Corporation's minutes.
- 9.3.2 Action by Written or Electronic Ballot.** Except as otherwise provided under Bylaws, or provisions of law, any action which may be taken at any meeting of Members may be taken without a meeting or in conjunction with a meeting if the Corporation distributes a ballot to each Member entitled to vote. These ballots shall be delivered via electronic mail to all Members at the electronic mail address as it appears on the records of the Corporation. The Board shall establish a policy regarding the conduct and duration of electronic ballots.
- 9.4 Conduct of Meetings.** Meetings of Members shall be presided over by the President or, in his or her absence, by a Director designated by the Board. The Secretary shall act as secretary of all meetings of Members. In the absence of the Secretary, the presiding officer shall appoint another person to act as secretary for that meeting. Meetings shall be governed by such procedures as may be approved from time to time by the Board, insofar as such rules are not inconsistent with these Bylaws, the Certificate of Incorporation or with provisions of law.

## Article 10 DISCLOSURE OF INFORMATION AND CONFIDENTIALITY

**10.1 Limitation on the Scope of Disclosed Information.** The Members and Non-Member Participants acknowledge that they will not disclose or exchange information as part of the Corporation's activities among themselves unless such disclosure is necessary in order to achieve the lawful purposes of the Corporation. All information disclosed by a Member or Non-Member Participant as a part of participation in the Corporation's activities shall be deemed non-confidential except as may be provided below or as otherwise agreed to in a written agreement between the affected parties.

**10.2 Nondisclosure.** With respect to Confidential Information, the receiving party agrees, for a period of three (3) years from the initial date of disclosure, to use the same care and discretion to avoid disclosure, publication, and dissemination outside the receiving party and its subsidiaries, contractors and consultants as the receiving party employs with its own Confidential Information, but no less than reasonable care. Any disclosure by a receiving party to its subsidiaries, contractors and consultants should be subject to an obligation of confidentiality at least as restrictive as those contained in this Article 10. The foregoing obligation shall not apply to any information which is: (1) already known by the receiving party prior to disclosure; (2) publicly available through no fault of the receiving party; (3) rightfully received without a duty of confidentiality; (4) disclosed by the disclosing party to a third party without a duty of confidentiality on such third party; (5) independently developed by the receiving party; (6) disclosed pursuant to the order of a court or other authorized governmental body, or as required by law, provided that the receiving party provides reasonable prior written notice to the disclosing party, and cooperates with the disclosing party, so that the disclosing party has the opportunity to oppose any such order; or (7) disclosed by the receiving party with the disclosing party's prior written approval. Notwithstanding anything to the contrary herein, any Member or Non-Member Participant shall be free to use the residuals of Confidential Information for any purpose including use in the development, manufacture, marketing and maintenance of its products and services, subject only to the obligations herein with respect to disclosure of such Confidential Information. The term "residuals" means that Confidential Information in nontangible form, which may be retained in the unaided memories of individuals who have not intentionally memorized such Confidential Information and have had rightful access to such Confidential Information under this provision of these Bylaws. It is understood that receipt of Confidential Information under these Bylaws shall not create any obligation in any way limiting or restricting the assignment and/or reassignment of any employees of a Member or Non-Member Participant within their organization. However, this Article 10 shall not be deemed to grant to any party a license under another party's copyrights, patents, utility models, trademarks or any other intellectual property rights.

Nothing contained herein shall preclude the Corporation from entering into Nondisclosure Agreements with third parties or entering into Nondisclosure Agreements with Members or Non-Member Participants outside the scope of these Bylaws or the IPR Policy and which do not violate antitrust laws or guidelines contemplated by these Bylaws.

**10.3 Corporation Information.** If a Member or Non-Member Participant shall be required to disclose any Confidential Information relating to the Corporation pursuant to a valid order of a court or other government body or any political subdivision thereof, the Member or Non-Member Participant shall first give notice to the Board of Directors and make a reasonable effort to obtain a protective order requiring that any such Confidential Information so disclosed be used only for the purposes for which the order was issued.

**10.4 Confidential Information.** From time to time a participant of a Work Group may deem it necessary to disclose confidential information to other participants of such Work Group. In such instances such participant may disclose the relevant information in confidence to participants of a Work Group, and such information shall be considered Confidential Information of the disclosing party if, and only if, the information is specifically designated as Confidential Information by the disclosing party at the time of disclosure. Notwithstanding the foregoing, information shall be deemed Confidential Information if a participant inadvertently discloses it without identifying it as confidential at the time of disclosure but notifies all participants to whom such Confidential Information has been disclosed (in accordance with the following sentence) of the disclosing party's intention to maintain the confidentiality of such information and the receiving parties have not disseminated the subject information outside of their organization prior to receiving such notice. Any such designation shall be effected by (i) marking any information disclosed in writing in a manner which indicates it is the Confidential Information of the disclosing party; or (ii) by orally indicating that any information disclosed orally/visually is the Confidential Information of the disclosing party and then within ten (10) days providing the receiving parties of such information with a written summary of the orally/visually disclosed Confidential Information so that such Confidential Information is more easily identified. By disclosing Confidential Information a participant agrees that should any such Confidential Information be necessarily, inherently or inferentially disclosed by a Technical Specification adopted by the Corporation, such information will be not be considered Confidential Information and such participant will waive all confidentiality and shall allow publication of such final Technical Specification.

**10.5 Survival of Confidentiality Obligations.** After withdrawal, termination or nonrenewal as a Member or Non-Member Participant, for any reason, a former Member or Non-Member Participant has a continuing duty under this Article 10.

## Article 11 DISPUTES AND DISPUTE RESOLUTION

- 11.1 Application.** The following provisions apply in the event of dispute between a Member or Non-Member Participant and the Corporation. For purposes of Article 11, a Member or Non-Member Participant and the Corporation are each sometimes referred to individually as a “party” and collectively as the “parties.” Notwithstanding anything else herein, this Article 11 shall only apply to disputes between the Corporation and its Members or Non-Member Participants and shall not apply to any disputes between Members and Non-Member Participants or between the Members and Non-Member Participants and third parties.
- 11.2 Mediation.** The parties agree to first submit any controversy or claim between any Member or Non-Member Participant and the Corporation arising out of or relating to these Bylaws, or the breach thereof, to nonbinding mediation in Kent County, Delaware, by a mediator to be selected by the parties from a panel selected by the International Chamber of Commerce (“ICC”) ADR Dispute Resolutions Services. The parties agree to mediate in good faith over a minimum period of thirty (30) days.
- 11.3 Arbitration.** Any controversy or claim between any Member or Non-Member Participant and the Corporation arising out of or related to these Bylaws not resolved by mediation shall be settled by binding arbitration in accordance with the Arbitration Rules (the “Rules”) of the ICC, and the procedures set forth below. In the event any inconsistency between the Rules of ICC and the procedures set forth below, the procedures set forth below shall control. Judgment upon the award

rendered by the arbitrator may be enforced in any court having jurisdiction thereof.

**11.3.1 Location.** The location of the mediation and arbitration shall be in Kent County, Delaware, U.S.A., or a location where the parties mutually agree.

**11.3.2 Selection of Arbitrators.** The arbitration shall be conducted by a panel of three (3) ICC arbitrators who are independent and disinterested with respect to the Corporation. If the parties are unable to agree to arbitrators, the arbitrators shall be appointed by ICC from among their panelists with relevant expertise.

**11.3.3 Case Management.** Prompt resolution of any dispute between any Member and Non-Member Participant and Corporation is important to all parties and the parties agree that the arbitration of any such dispute shall be conducted expeditiously. The arbitrators shall be instructed and directed to assume case management initiative and control over the arbitration process (including scheduling of events, prehearing discovery and activities), in order to complete the arbitration as expeditiously as possible.

**11.3.4 Remedies.** The arbitrators may grant such legal or equitable remedy or relief (including injunctive relief) that the arbitrators deem just and equitable, to the same extent that such remedy or relief could be granted by a State or U.S. Federal court; provided, however, that such remedy or relief is consistent with the remedies and limitations set forth in these Bylaws.

**11.3.5 Expenses.** The expenses of the arbitration, including the arbitrators' fees, shall be shared equally among the parties. Each party shall be responsible for its own attorneys' fees, including expert witnesses.

**11.3.6 Confidentiality.** Except as set forth below, the parties shall keep confidential the fact of the arbitration, the dispute being arbitrated, and the decision of the arbitrators. Notwithstanding the foregoing, the parties may disclose information about the arbitration to persons who have a need to know, such as directors, trustees, experts, investors, insurers, legal counsel, and when required to disclose by applicable securities laws.

**11.3.7 Intellectual Property.** There shall be no arbitration of issues of the validity, infringement or enforceability of patents or copyrights. These issues shall be litigated in courts of appropriate jurisdiction. Further, this Article does not apply to any intellectual property rights of a Member or Non-Member Participant with respect to other Members or Non-member Participants or third parties.

**11.4 Survival.** This Article 11 shall survive any termination of participation or membership.

## **Article 12 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

All contracts, receipts of revenue, disbursement of Corporation funds and other financial transactions shall be conducted in accordance with the Board approved Finance Policy.

## **Article 13 RECORDS AND REPORTS**

The Corporation shall maintain records and documents as required by the Board-approved Document Policy as well as all those required by law, these Bylaws, the Certificate of Incorporation or by a specific resolution of the Board.

Members shall have the right at any reasonable time to inspect Corporation records and documents subject to such confidentiality and nondisclosure requirements as the Board may reasonably deem appropriate, or may be required by law.

## **Article 14 AMENDMENT OF BYLAWS**

Except where otherwise provided for in individual Articles herein, these Bylaws and any Attachments may only be altered, amended or repealed upon Supermajority approval of the Board. Written notice of such amendment must be given to the Members at least 30 days prior to the effective date of the amendment.

## **Article 15 DISTRIBUTION OF ASSETS**

In the event of liquidation, dissolution, termination or winding up of the Corporation (whether voluntary, involuntary or by operation of law), the Board shall, after paying or making provisions for the payment of all of the liabilities of the Corporation, transfer all of the property and assets of the Corporation to one or more "Qualified Organizations," as defined below, as the Board shall determine. For purposes of this Article 15 "Qualified Organization" shall mean a corporation or other organization organized and operated exclusively for religious, charitable, educational or other purposes meeting the requirements for exemption, as shall at the time qualify either (i) as exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("Code") by reason of being an organization described in Section 501(c)(6) of the Code, or (ii) as a corporation or other organization to which contributions are deductible under Section 170(c)(1) of the Code.

## **Article 16 SEVERABILITY**

In case any provision in these Bylaws shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

## **Article 17 NOTICES**

Any required written notice under these Bylaws can be met by providing an electronic message, such as email or fax, to the Member's registered email address or fax number, if to a Member, or to the specified group or individual if to the Corporation.



## **Article 18 CHOICE OF LAW**

The law of the State of Delaware, United States, will govern any action related to these Bylaws and any Policies set forth in these Bylaws.

## **Article 19 COMPLIANCE WITH ANTITRUST LAWS**

The Members will be combining unique experience and skills to foster identity community harmonization, interoperability, innovation and broad adoption through the development of open identity Technical Specifications, operational frameworks, education programs, deployment and usage best practices for privacy-respecting, secure access to online services.

This purpose is believed by the Members to be more difficult to achieve through the independent efforts of each company. The Members are committed to fostering open competition. The Members understand that in certain lines of business they are direct competitors and that it is imperative that they and their representatives act in a manner which does not violate any applicable antitrust or competition laws pertaining to monopolistic or anti-competitive practices. Thus, all Members shall comply with all applicable antitrust and competition laws of all relevant jurisdictions. In addition, with the advice of counsel, the Board shall from time to time promulgate detailed Antitrust Compliance Guidelines for the consideration of the Members concerning their participation in the Corporation. These Guidelines are not intended to replace or displace each Member's own antitrust policies, but shall operate to guide the Members' participation in the Corporation.

Members are not required to develop or market any offerings and are not precluded from engaging in any business activities whatsoever, even if they are competitive with the activities conducted under these Bylaws.

**CERTIFICATE OF PRESIDENT**

I hereby certify:


That I am the duly appointed President of the Kantara Initiative, Inc., a Delaware corporation; and

The foregoing Bylaws comprising 26 pages, including this page, constitute the Bylaws of the Corporation as duly adopted by the Board of Directors of said Corporation.

IN WITNESS WHEREOF, I have hereunder subscribed my name this 15th day of December 2023.

Andrew Hughes

\_\_\_\_\_  
Name

  
\_\_\_\_\_  
Signature