



***Bylaws of Max-i Association***

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## **Article I Purposes**

### **1.1 Purposes**

Max-i Association is a group of companies working together to:

- Promote the fieldbus Max-i for example by advertising, press releases and participation on technical fairs, trade shows and exhibitions and by means of the homepage [www.max-i.org](http://www.max-i.org).
- Disseminate knowledge about the Plant Numbering System (PNS).
- Maintain, develop, manage and publish the standard for the Max-i fieldbus and the Plant Numbering System.
- Provide a forum where the members can meet and suggest and discuss revisions and future enhancements of the standards.
- Keep the members updated with news and proposed revisions and enhancements.
- Provide technical support to the members.
- Provides the members with a vendor identification code.
- Manage common Intellectual Property Rights (IPR) and the Max-i logo.

## **Article II Offices**

### **2.1 Principal Office**

Max-i Association shall maintain a principal office either in Denmark or in such other place where Max-i Association may be qualified to do business, as may be designated from time to time by resolution of the Board of Directors.

## **Article III Membership**

### **3.1 Classes of Membership and Rights**

Any company, which make, have made, sell or have sold products in its own name, which include Max-i technology or intellectual properties of Max-i Association, must be a Member of Max-i Association. This is also the case if the company is owned by a parent company or in any other way is affiliated with another company, which is a Member, or if the company buy products with Max-i technology from a sub-supplier and sell them in its own name.

There are two (2) classes of membership with different entitlements:

### **3.1.1 Regular.**

This class offers the following nontransferable, nonexclusive rights and privileges:

- Right to make, have made, sell and have sold products, which include Max-i technology.
- Royalty free use of final approved specifications and intellectual properties of Max-i Association.
- Royalty free right to use approved reproductions of the Max-i logo on any product that conforms to the Max-i specification.
- Early access to new versions of the Max-i specification and proposed revisions and enhancements.
- Participation in interoperability and marketing events.
- Participation in developer's conferences, working groups and Member meetings.
- Discount on participation fee for public events.
- Reception of Max-i Association e-mail newsletter for Members.
- Free technical support by e-mail and limited technical support by phone.
- Free vendor identification code.
- Free hotlink from [www.max-i.org](http://www.max-i.org) to own homepage.

### **3.1.2 Principal.**

As Regular, but also offers the following nontransferable, nonexclusive rights and privileges:

- One seat on the Max-i Association Board of Directors.
- Voting right on all specifications and decisions concerning Max-i Association.

## **3.2 Qualification for Membership**

Max-i Association is open to vendors, who manufacture, or exhibit well documented plans to manufacture, hardware and/or software products that integrate Max-i technologies. It is also open to educational institutions and advisers.

Only companies, which have been a Regular Member for at least one year, can be a Principal Member. In case a company is owned by a parent company or companies in any other way are affiliated, only one Principal Member is allowed from that group of companies, incorporation or establishment.

## **3.3 Termination of Membership**

The membership of any Member shall terminate upon the occurrence of any one or more of the following conditions:

- A Member may resign from Max-i Association at any time by filing a resignation letter with the Chairman or Secretary of Max-i Association.
- A Member shall terminate the membership immediately if the company no longer qualifies for membership.

- If two or more Member companies are merged or acquired, all memberships except one (1) shall be terminated.
- Membership shall terminate upon the failure of the Member to pay any fees, dues or assessments within three (3) month after the expiration date.
- Membership shall terminate in case of the Member's bankruptcy, expulsion or dissolution.
- The Board of Directors can exclude any Member at any time if the Member, or any individual participant that represents the Member, does not comply with and abide the laws and rules of Max-i Association or in public disparage or ridicule Max-i Association, the Max-i fieldbus or the Plant Numbering System.

Upon termination or expiration of the status of a Member of Max-i Association, all rights and privileges associated with being a Member shall terminate immediately including the right to make products for sale, which include Max-i technology.

### **3.4 Fees, Dues and Assessments**

The Board of Directors shall determine the initial and annual membership fees, dues and assessments. Fees, dues and assessments may be increased or decreased by the Board, in its discretion, at any time. If a Member does not wish to accept one or more changes in these charges, the Member may voluntarily withdraw from membership.

Regular members does not pay any initiation fee except that the first membership period may be shortened by up to three month due to the way membership is handled and invoiced.

All annual fees cover a 12-month period calculated from the first day of January, April, July, or October, respectively. This anniversary date is also the latest punctual date of payment for the following annual fees. Membership will automatically renew on an annual basis, and membership fees will be invoiced at least one month before the expiration date. Members shall be obligated to make payment of annual fees, dues and assessments before the expiration data. Failure to do so will immediately disable all rights and privileges until the invoice has been paid. If any changes have been made during the membership period, which affects the membership fees, dues and assessments, such as more employees, it is the responsibility of the Member that Max-i Association is informed, and that the invoice is corrected and the correct fees, dues and assessments are paid.

New Members shall have rights and privileges of membership from the date where membership are approved and all fees, dues and assessments have been paid in full until the fourth of the quarterly anniversary date to occur hereafter (not including the present data). If for example all fees, dues and assessments have been paid in August 2010, the first membership period will expire July 1<sup>st</sup> 2011, and July 1<sup>st</sup> will be the expiration date for all following membership periods.

If a membership is terminated before the expiration date, no refund or pro rata refund of any membership fees, dues or assessments shall be made except if a membership is upgraded from Regular to Principal on any other date than a quarterly anniversary date. In that case, the full annual membership fees, dues and assessments shall be subtracted from the first year initiation fee and the new expiration date will be the fourth quarterly anniversary date to occur hereafter as for new Members.

As the inventor and developer of the Max-i fieldbus, Innovatic is a Principal member, but does not pay any Member fees or dues as Innovatic has already paid its share with the more than 10 man-years used to develop Max-i.

### **3.5 Representative**

Each Member shall appoint a Designated Representative who shall receive all official correspondences and notices to the Members. The Designated Representative shall, at all times, be an employee, officer, director, and/or sole owner of the Member. A Member may change its Designated Representative by written notice to Max-i Association. Upon resignation of any Member's Designated Representative, such Member shall promptly appoint a new Designated Representative and so notify Max-i Association.

### **3.6 Non-transferability**

No Member may transfer a membership interest or any rights arising therefrom. In case a Member company is merged with, or acquired by a non-member company, the rights of membership shall continue to the new legal entity.

### **3.7 Use of the Max-i logo**

The Max-i logo shall only be used on products, which conform to the Max-i specification. If at any time a product does not conform to the specification, the use of the Max-i logo on that product shall be terminated immediately upon notice of the nonconformance, until such nonconformance is cured.

All depictions used shall be exact electronic or print reproductions of depictions provided by Max-i Association or shall be pre-approved by Max-i Association before their use. The Member shall not adopt or use, or permit any person affiliated with the Member to adopt or use, any variation of the Max-i logo or any word or mark likely to be confused with the logo.

### **3.8 Confidentiality**

No part of any specification, proposed specification, paper from committees or working groups or any other information, which has not been officially and lawfully published, shall be disclosed, reproduced or disseminated to any third party. All information from Max-i Associations or any of its officers, employees, attorneys or other agents, in whatever form transmitted, intended for Members only shall be deemed confidential, whether or not this information is marked "Confidential" or "Proprietary".

The requirement that no confidential information is disclosed to any third party shall not apply to the disclosure to a limited group of the Member's own employees or to a limited group of technical, financial or legal professionals and advisors retained by the Member; provided, however, that the Member takes reasonable precautions including the obtaining of a non-disclosure agreement to assure that such employees, professionals and advisors are informed of the confidential nature and are bound to respect it.

In the event that a Member is requested or required in a judicial, administrative or governmental proceeding do disclose any confidential information, the Member shall provide Max-i Association with prompt notice of such request and all related proceedings so that Max-i Association may seek an appropriate protective order or allow the Member to disclose the information. If, as a result of any such request or requirement, the Member is in the written opinion of the counsel, compelled to disclose any confidential information to any tribunal or else stand liable for contempt or other censure or penalty, the Member may disclose such parts to such tribunal without liability, provided, however, that the Member comply with the provision of prompt notice.

### **3.9 Non-Liability**

No Member shall be personally liable for the debts, liabilities or obligations of Max-i Association.

### **3.10 Jurisdiction**

All agreements between Max-i Association and the Members shall be legally binding on the parties hereto, their principles, employees, representatives, agents, assignees, and all other associated. The agreements shall be governed by and construed in accordance with the laws of Denmark without regard to conflicts of law principles, and the parties irrevocably submit and consent to the jurisdiction of Danish courts over all matters relating to such agreements. Any litigation or arbitration proceedings shall take place in Denmark and any judgment shall be final binding and conclusive upon the parties hereto.

## **Article IV Board of Directors**

### **4.1 Powers**

The Board of Directors shall control all business and affairs of Max-i Association, and all powers shall be exercised by, or under the authority of the Board of Directors. The Board of Directors shall have the power to select and remove all officers, agents, employees and contractors, and to fix reasonable compensation thereof, to authorize and empower officers or agents to enter into contracts and other commitments on behalf of Max-i Association, and to appoint and delegate responsibilities and authority to committees, officers and agents. The Board of Directors takes all final decisions and ratifications concerning all specifications and the Max-i Association, and the Board of Directors can refuse any proposal made by any committee, working group or member.

The Board of Directors may authorize any officer, employee, or agent to enter into any contract or execute any contract in the name of and on behalf of Max-i Association and such authority may be general or confirmed to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind Max-i Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

### **4.2 Number and Composition of Board of Directors**

The number of directors shall be equal to the number of Principal members. Each Principal Member shall designate one director and may designate one alternate director to serve and vote in the event of the death, resignation, removal or absence of the director. When serving in the capacity of director, the alternate director shall have all the rights, privileges and responsibilities of the director. In the event of death, resignation or removal of the director, the alternate director shall immediately become a director, and the position as alternate director shall become vacant. Each director and alternate director shall at any time be an employee, officer, director or duly authorized representative of the Principal Member on behalf of which he or she is serving.

### **4.3 Meetings**

The Board of Directors shall hold at least one annual meeting.

Any or all directors may participate in a meeting of the Board of Directors by, or conduct the meeting through the use of, telephone, electronic conferencing or any other means of communication by which either all participating directors may simultaneously hear each other during the meeting or all communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors. A director participating in a meeting by any such means is deemed to be present in person at the meeting.

#### **4.4 Voting**

All voting are by majority among all members of the Board of Directors except for the following exceptions, which require two-thirds (2/3) vote for approval:

- Voting for proposed specifications, which will become adopted specifications when approved.
- Admission of new Principal members.
- Removal of directors.
- Change of these Bylaws.

Each Member is entitled to one (1) vote on each matter. Voting on meetings shall be by voice vote, unless the Chairman directs such voting to be by ballot. In case a director cannot join a meeting, he or she may vote by proxy provided the proxy appointment is in writing, signed and filed with the Board of Directors or the Secretary before the meeting. No proxy appointment shall be valid after sixty (60) days from the date of its execution unless otherwise provided in the appointment form. Voting without meeting may be by ballot provided that a written ballot is distributed to every Member. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to Max-i Association.

In case of parity of votes, the vote from Innovatic is decisive.

Any director having duality of interest or conflict of interest on any matter shall abstain from voting on the matter and shall not be counted in determining the quorum for the vote on the matter. If a director is uncertain as to whether he or she has a duality or conflict of interest, which requires abstention, or if a director asserts that another director has such a duality or conflict, the Board, by majority vote of those present other than the director having the possible conflict, shall decide whether abstention is required. If so, the director will be deemed to have abstained.

#### **4.5 Fees and Compensation**

Directors shall serve without compensation, but by resolution of the Board of Directors, may be reimbursed for expenses paid while acting on behalf of Max-i association and/or expenses incurred in attending meetings of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving Max-i Association in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefore so long as such compensation is approved by a majority of directors, excluding any interested director.

#### **4.6 Indemnity for Litigation**

Max-i Association shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a director, alternate director, officer, or Member of any committee or working group of Max-i Association, unless liability was incurred because the director or officer breached or failed to perform a duty he or she owes to Max-i

Association. The amount of such indemnity shall be so much as the Boards of Directors determines and finds to be reasonable and may be reduced if the director or officer has previously received indemnification or allowance of expenses from any other source in connection with the same proceedings.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the director or officer is not required.

#### **4.7 Resignation and Removal**

Any director or alternate director may resign at any time by giving written notice to the Board of Directors, to the Chairman or to the Secretary.

Any director and/or alternate director may be removed upon resolution by the Board of Directors terminating such individual's status as a director for any of the following reasons:

- Conviction for a crime.
- Failure to act in the best interest of Max-i Association.
- Intentional breach of fiduciary duties.
- Public disparagement or ridicule of Max-i Association, the Max-i fieldbus or the Plant Numbering System.
- Gross mismanagement or waste.

Upon termination of an individual's status as a director or alternate director, the Principal Member is allowed to appoint a new.

## **Article V Officers and Advisors**

### **5.1 Officers**

The Boards of Directors may appoint officers according to the present needs. Such officers may be a Chairman to serve as a Chief Executive Officer of Max-i Association and have the general supervision, direction and control of the business and affairs, a Financial Officer or Treasurer to oversee the financial and accounting matters and a Secretary to handle Member contacts and keep a record of the proceedings of the Board of Directors. The Chairman, the Financial Officer or Treasurer and the Secretary shall have authority to sign, execute and acknowledge on behalf of Max-i association, all deeds, mortgages, bonds, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the regular business, or which shall be authorized by resolution of the Board of Directors. All other officers shall have powers and duties as may be designated from time to time by the Board of Directors.

Officers may be any person nominated by a director and nothing herein shall require such individual to be, or exclude such person from being a director, an employee or a duly authorized representative of a Member.

Officers may participate in the meetings of the Board of Directors, but do not have voting rights except if an officer is simultaneously a director.

## **5.2 Advisors**

The Board of Directors may, at its sole discretion, appoint advisors with which the Board of Directors shall consult on matters relating to the operation of Max-i Association. Advisors shall not have the right or privileges of directors or Members and shall have no power or authority over the operation of Max-i Association.

## **5.3 Removal and Resignation**

Any officer or advisor may be removed at any time, either with or without cause, by the Board of Directors in its sole discretion, or by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer or advisor may resign at any time by giving written notice to the Board of Directors. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall not prejudice the rights of Max-i Association under any contract to which the officer is a party.

The Board of Directors may fill a vacancy in any office because of death, resignation, removal, disqualification or any other cause.

## **5.4 Compensation**

The Board of Directors shall establish the compensation, if any, of officers. Officers may receive reimbursement for reasonable expenses incurred in connection with matters of Max-i Association, provided that such reimbursement is authorized either in the particular case or pursuant to policies approved by the Board of Directors.

# **Article VI Committees and Working Groups**

## **6.1 Appointments of Committees**

The Board of Directors may create committees and working groups, as the board from time to time deems necessary or appropriate. Such committees shall have the responsibilities and duties established by the Board of Directors. Any such committees may be reconstructed and/or terminated by the Board of Directors at any time.

## **6.2 Compensation**

Any individual appointed to any committee and/or working group shall not receive compensation for their services as such, but, upon prior approval of each expenditure by the Board of Directors, may be reimbursed for bona fide expenses incurred arising out of conducting business on behalf of Max-i Association. Nothing herein shall prohibit payment of compensation to an individual serving on any committee or working group who renders services to Max-i Association in another capacity.

## **Article VII Miscellaneous**

### **7.1 Fiscal Year.**

The fiscal year of Max-i Association shall be from January 1<sup>st</sup> to December 31<sup>st</sup>.

### **7.2 Loans and Deposits**

No funded indebtedness shall be contracted on behalf of Max-i Association and no evidences of such indebtedness shall be issued in its name unless authorized by resolution of the Board of Directors.

All funds of Max-i Association, not otherwise employed, shall be deposited from time to time to the credit of Max-i Association in such banks, savings and loan associations, trust companies or other depositories as the Board of Directors may select.

### **7.3 Distribution of Assets Upon Dissolution**

Upon dissolution or liquidation of Max-i Association, and after all of the known debts and liabilities of Max-i Association have been paid or adequately provided for, the Board of Directors shall transfer or return remaining assets and/or intellectual property rights to Innovatic if this company exists, or if this is not the case, to the company or association, which after the judgment of the Board of Directors are best suited to further handle the interest of the members and the Max-i fieldbus.

## **Article VIII Amendments and Effective Date**

### **8.1 Amendments and Effective Date**

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors at any time, and all such changes shall become effective immediately upon their adoption unless the Board of Directors in adopting them provides that they are to become effective at a later date.

Adopted: May 19<sup>th</sup> 2010