

**Management Committee By-Laws
Article III**

**Draft changes regarding the election of two individuals
to serve as Chairperson or Vice-Chairperson of the Management Committee**

October 17, 2003

Management Committee By-Laws

Article III. Chairperson, Vice Chairperson, and Secretary

- 3.01 The Management Committee shall have a Chairperson and a Vice-Chairperson, each of whom provided, however, that, pursuant to Section 3.04.5 of these By-Laws, the Management Committee may elect two individuals to fill the position of Chairperson or Vice-Chairperson. Chairpersons and Vice-Chairpersons shall serve for a one-year term that begins on December 1. ~~The first terms shall begin on the date of election by the Management Committee and shall run until November 30, 2000.~~ The Management Committee shall also have a non-voting Secretary. The Chairperson, Vice-Chairperson, and Secretary shall each have the powers and duties enumerated herein, and such other powers and duties as are reasonably necessary to perform the functions of their offices.¹ In the event that two individuals are elected to fill the position of either Chairperson or Vice-Chairperson pursuant to Section 3.04.5, both individuals shall collaborate while serving and coordinate decisions for the entire one-year term; provided, however, that each individual so elected shall have binding, final decision-making authority and perform the duties of the office at meetings of the Management Committee during one half of each term, as designated in accordance with the provisions of Section 3.04.6 of these By-Laws. The Vice-Chairperson shall exercise the duties of the Chairperson at such times as the Chairperson is absent from a meeting or otherwise unable to perform the duties of the office; provided, however, that if two individuals are elected to fill the position of either Chairperson or Vice-Chairperson, and one of those individuals is absent from a meeting or otherwise unable to perform the duties of his or her respective office during the one half of the term in which such individual has binding, final decision-making authority, the other individual elected to serve in the same office for the same year shall exercise the duties of the office at the meeting.
- 3.02 Upon expiration of the one-year term of the Chairperson, ~~the Vice-Chairperson~~ including the one-year term of individuals elected to serve as Chairperson pursuant to Section 3.04.5 of these By-Laws, the Vice-Chairperson, including individuals elected to serve as Vice-Chairperson pursuant to Section 3.04.5 of these By-Laws, shall become Chairperson of the Management Committee for the next succeeding one-year term.²
- 3.03 The Secretary shall be nominated by the President of the ISO from among the ISO staff. The President of the ISO may remove the Secretary at will, and shall

¹ Section 7.11(a).

² Section 7.11(a).

nominate a replacement Secretary whenever the office of Secretary is vacant. In the event a nominee for Secretary of the Management Committee is not elected by a 58% percent vote, the President of the ISO may withdraw the nomination and make another nomination at the same or any following meeting. The Secretary may from time to time appoint a Deputy Secretary from among the ISO staff, for such a term as the Secretary deems fit, to whom the Secretary may delegate the duties of Secretary at such times as the Secretary is absent from a meeting, or otherwise unable to perform the duties of the office.

- 3.04 The initial Chairperson and each Vice-Chairperson and Secretary shall be elected by a vote representing at least 58% of the total votes cast by the Management Committee, in accordance with these By-Laws.³ **Immediately after each ballot taken to elect officers, the Chairperson of the Management Committee shall disclose to the Management Committee the percentage of the votes each candidate received on that ballot.**

3.04.1 The first ballot for each election of a Vice-Chairperson (and the first ballot for the election of the initial Chairperson) shall be from the slate of candidates reported by the Nominating Subcommittee for the relevant election. In the event of the failure to elect a relevant officer with a 58% vote, a second ballot shall be taken from the slate of candidates reported by the Nominating Subcommittee for the relevant election.

3.04.2 In the event of the failure of any nominee for Vice-Chairperson (or for the initial Chairperson) to gain at least 58% of the votes on the second ballot, such additional ballots shall be taken until one candidate achieves a 58% majority or, in the reasonable opinion of the Chairperson, a voting deadlock has been reached. In the event a three or more candidate ballot fails to elect an officer with a 58% vote on a second or later ballot, the Chairperson shall remove from the slate for the following vote the candidate with the lowest percentage of votes.

3.04.3 In the event the Chairperson determines a voting deadlock has been reached among the slate of candidates reported by the Nominating Subcommittee (as reduced by the Chairperson pursuant to Section 3.04.2), the Chairperson shall entertain any of the following motions from the floor:

- 3.04.3.1 A motion to take additional ballots from the slate of candidates reported by the Nominating Subcommittee at that time;

³ Section 7.11(a).

- 3.04.3.2 A motion to defer the election to the following meeting of the Management Committee, using the same slate of candidates reported by the Nominating Subcommittee;
- 3.04.3.3 A motion to accept nominations for the office from the floor, and take additional ballots at that time; and/or
- 3.04.3.4 A motion to refer the list of candidates back to the Nominating Subcommittee with directions to report back a slate of candidates seven business days prior to the next Management Committee meeting.

3.04.4 In the event of a voting deadlock under Sections 3.04.2 and 3.04.3, the election for the same office shall automatically be included on the agenda for the following meeting and the provisions of these By-Laws related to election of the relevant officer (including the provisions related to the duties of the Nominating Subcommittee to propose a slate of candidates) shall apply. If necessary, the relevant provisions of Section 3.11 shall also apply.

3.04.5 At the second Management Committee meeting where balloting is held, the Management Committee may either vote again on the same two-candidate ballot until one candidate achieves 58% of the votes, or may agree by a 58% vote to elect both candidates on the ballot to serve as Vice-Chairperson.

3.04.6 Where two individuals are elected as Vice-Chairperson or succeed as Chairperson, the two individuals each shall assume binding, final decision-making authority for one half, respectively, of the one-year term in alphabetical order by last name, unless the order is otherwise determined by the Management Committee.

3.05 Representatives may be the Chairperson or Vice-Chairperson of the Management Committee.

3.06 The Chairperson and Vice-Chairperson of the Management Committee shall be representatives from different sectors and may not be representatives of the same Member or its Affiliates. For purposes of determining whether the Chairperson and Vice-Chairperson are from different sectors, the following provisions shall apply separately as to each officer (or candidate; together “officer”), to determine the officer’s sector attribution(s):

3.06.1 Where the officer is a Member or the officer is a voting representative of only one Member, the officer’s sector attribution shall be the sector in which the relevant Member’s vote is cast.

- 3.06.2 Where the officer is a voting representative of more than one Member, the officer's sector attributions shall be the sectors in which the officer casts the relevant Members' votes.
- 3.06.3 Where the officer is a non-voting representative of a Member, the officer's sector affiliation shall be the sector(s) in which the non-voting representative participates.
- 3.06.4 Where the officer is a representative of a total of two or more voting and non-voting Members the provisions of this Section 3.06 shall be applied to each of the officer's representations to determine the officer's sector affiliations.
- 3.07 No representative shall be elected to a term ~~(or the remainder of a term under Section 3.10)~~ as Vice-Chairperson of the Management Committee if during the same term another representative of the Member or its Affiliates would hold the office of Chairperson or Vice-Chairperson of either the Business Issues Committee or the Operating Committee; *provided, however*, that if the Business Issues Committee or the Operating Committee have not elected a Vice-Chairperson for the same term of office, this provision shall not limit the Management Committee's ability to elect a Vice-Chairperson from among otherwise qualified candidates.
- 3.08 The Nominating Subcommittee shall report its slate of candidates for Vice-Chairperson on or before September 20 of each year or, in the event of either (i) a vacancy occurring during the term of a Chairperson or Vice-Chairperson or (ii) a deadlock occurring as described in Section 3.04.4, on the schedule prescribed by the Chairperson or the Acting Chairperson, if any. Voting shall then occur as provided in Section 3.04 at the next meeting of the Management Committee occurring seven or more business days after the Nominating Subcommittee reports its slate of candidates; provided, however, that elections of Chairperson or Vice-Chairperson shall be conducted only by secret ballot vote.
- 3.09 In the event the Chairperson resigns from office, dies or otherwise becomes unable to perform the duties of Chairperson, ceases to be a Member or the Member for which the Chairperson is the representative ceases to be a Member, or ceases to be the representative of the Member for which the person was the representative at the time of election as Vice-Chairperson (or, in the case of the initial Chairperson, at the time of election as Chairperson), or when a Vice-Chairperson is elected while an Acting Chairperson is holding office as provided in Section 3.11.2, below, the Vice-Chairperson shall assume the office of Chairperson for the remainder of the former Chairperson's (or Acting Chairperson's) one-year term, and shall continue as Chairperson for the next succeeding one-year term **unless there is a Chairperson elected pursuant to Section 3.04.5 of these By-Laws who may assume the office for the remainder of the applicable term pursuant to Section 3.11 of these By-Laws in which case the measurement of the respective halves of the applicable term of the**

two individuals elected pursuant to Section 3.04.5 shall be measured from the date that the Chairperson leaves office pursuant to this Section.

3.10 In the event the Vice-Chairperson assumes the position of the Chairperson as provided in Section 3.09, resigns from office, dies or otherwise becomes unable to perform the duties of Vice-Chairperson, ceases to be a Member or the Member for which the Vice-Chairperson is the representative ceases to be a Member, or ceases to be the representative of the Member for which the person was the representative at the time of election as Vice-Chairperson, the Management Committee may elect a new Vice-Chairperson, as provided in Section 3.08, to serve the remainder of the former Vice-Chairperson's term **unless there is a Vice-Chairperson elected pursuant to Section 3.04.5 of these By-Laws who may assume the office for the remainder of the applicable term pursuant to Section 3.11 of these By-Laws.**

3.11 If a Vice-Chairperson or Chairperson elected pursuant to Section 3.04.5 of these By-Laws, dies or otherwise becomes unable to perform the duties of Vice-Chairperson or Chairperson, ceases to be a Member or the Member for which the Vice-Chairperson or Chairperson is the representative ceases to be a Member, or ceases to be the representative of the Member for which the person was the representative at the time of election as Vice-Chairperson prior to the expiration of his or her term, the remaining Vice-Chairperson shall assume the office of Vice-Chairperson for the remainder of the year, or the remaining Chairperson shall assume the office of the Chairperson for the remainder of the year, as applicable. A Vice-Chairperson assuming the remainder of the term of Vice-Chairperson under this Section shall continue as Chairperson for the next succeeding one-year term.

~~3.11~~**3.12** In the event and for so long as the Management Committee fails to elect a Vice-Chairperson to replace a Vice-Chairperson who has become Chairperson under Section 3.09 or to fill a vacancy in the office of the Vice-Chairperson described under Section 3.10, the ISO President shall appoint one of the ISO Board representatives to the Management Committee to be the acting Vice-Chairperson (the "Acting Vice-Chairperson") for the next one-year term, subject to the provisions of Section 3.11.1 below. In the event the Management Committee has not elected a new Vice-Chairperson before the Chairperson's term expires or the Chairperson earlier leaves office, the Acting Vice-Chairperson shall become the Acting Chairperson of the Management Committee for each successive one-year term or the remainder of the previous Chairperson's term, as the case may be, subject to the provisions of Section 3.11.2 below. If necessary, the Acting Chairperson may appoint a deputy chairperson (the "Deputy Chairperson") from among the representatives to the Management Committee for so long as an ISO Board representative is Acting Chairperson; a Deputy Chairperson shall perform the functions of a Vice-Chairperson, but not have the right to assume the office of Chairperson at the end of the then-current one-year Acting Chairperson's term of office. The ISO Board may change the person who is the Acting Vice-Chairperson or Acting Chairperson at any time.

~~3.11.13.12.1~~ **3.12.1** When at any time the Management Committee elects a new Vice-Chairperson while the ISO Board representative is Acting Vice-Chairperson, the ISO Board representative shall cease being the Acting Vice-Chairperson, and the elected Vice-Chairperson shall assume the duties of Vice-Chairperson until (i) the end of the then-current one-year term, at which time the Vice-Chairperson shall become Chairperson as provided in Section 3.02 above or (ii) the Vice-Chairperson becomes Chairperson as provided in Section 3.09.

~~3.11.23.121.2~~ **3.12.2** When at any time the Management Committee elects a new Vice-Chairperson while the ISO Board representative is Acting Chairperson, the ISO Board representative shall cease being the Acting Chairperson, and shall resume the position of Acting Vice-Chairperson, subject to the provisions of Section 3.11.1 above.

~~3.12.3.13~~ **3.13** The Chairperson, Vice-Chairperson, or Secretary may be removed from office upon a 58% majority of the total votes cast by the Management Committee in accordance with these By-Laws.

Article VIII. Management Committee Action; Effect of Abstentions

8.01 All matters to be acted on by the Management Committee shall be brought up for a vote or approval in the form of a motion, which must be seconded. Only one substantive motion, and one motion to amend the substantive motion, may be pending for discussion at one time, although procedural motions, including motions to table the substantive motion, may be raised at any time. Substantive motions (and motions to amend substantive motions) that have been tabled shall not be considered pending for purposes of initiating any other substantive motion or an amendment to the pending substantive motion.⁴

8.02 The sum of affirmative votes necessary to pass the pending motion shall be 58% of the total votes cast by the representatives pursuant to the rules set forth in Section 12.03, including all votes cast by individual representatives in sectors or subsectors that have not become active or that have failed to achieve a quorum, as provided for in Sections 7.05 and 7.06.⁵

8.03 **Immediately after each vote of the Management Committee, the Chairperson shall disclose the total number of votes cast in favor of the pending motion.**

⁴ Section 7.10(a).

⁵ Section 7.10(b).

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