BY-LAWS
OF
CLEAN AIR INITIATIVE FOR ASIAN CITIES (CAI-ASIA) CENTER, INC.
# Table of Contents

**Article I - NAME** ........................................................................................................ 4  
**Article II - DOMICILE** .............................................................................................. 4  
**Article III - DEFINITIONS** ........................................................................................... 4  
**Article IV - MEMBERSHIP** .......................................................................................... 5  
  Section 1. **Classification of Membership.** ................................................................. 5  
  Section 2. **Qualifications for Membership.** ............................................................... 7  
  Section 3. **Application Process for Individual Members.** ......................................... 8  
  Section 4. **Application Process for Juridical Entities.** ............................................. 8  
  Section 5. **Effectivity of Membership.** .................................................................... 8  
  Section 6. **Membership in Good Standing.** .............................................................. 8  
  Section 8. **Termination of Membership.** ................................................................. 9  
  Section 9. **Suspension/Removal.** ............................................................................. 9  
**Article V - MEETINGS OF MEMBERS** ..................................................................... 10  
  Section 1. **Place of Meeting.** .................................................................................. 10  
  Section 2. **Annual Meeting.** .................................................................................... 10  
  Section 3. **Notice of Annual Meeting of Members.** .................................................. 10  
  Section 4. **Order of Business at Annual Meeting.** ............................................... 10  
  Section 5. **Special Meetings of Members.** .............................................................. 11  
  Section 6. **Notice of Special Meeting of Members.** .................................................. 11  
  Section 7. **Waiver of Notice.** .................................................................................. 11  
  Section 8. **Quorum.** ............................................................................................... 11  
  Section 9. **Proxies.** ................................................................................................. 11  
  Section 10. **Voting.** ................................................................................................. 12  
**Article VI - BOARD OF TRUSTEES** ........................................................................ 12  
  Section 1. **Composition of the Board.** ................................................................. 12  
  Section 2. **Election of Trustees.** ............................................................................. 12  
  Section 3. **Qualifications.** ...................................................................................... 13  
  Section 4. **Term of Office.** ..................................................................................... 13  
  Section 5. **Disclosure of Interests by Members of the Board of Trustees.** .............. 14  
  Section 6. **Functions and Powers of the Board of Trustees.** ................................... 14  
  Section 7. **Regular Meeting.** .................................................................................. 15  
  Section 8. **Special Meeting.** ................................................................................... 15  
  Section 9. **Notice.** ................................................................................................. 16  
  Section 10. **Waiver of Notice.** .............................................................................. 16  
  Section 11. **Quorum.** ............................................................................................. 16  
  Section 12. **Compensation of Trustees.** ................................................................. 16  
  Section 13. **Indemnification of Trustees and Officers.** ........................................... 16  
  Section 14. **Resposibility for publications issued by the Corporation.** .................. 17  
**ARTICLE VII - OFFICERS** ......................................................................................... 17  
  Section 1. **Executive Officers.** .............................................................................. 17  
  Section 2. **The Chairman/President.** ................................................................. 17  
  Section 3. **The Executive Director.** ...................................................................... 18  
  Section 4. **The Secretary.** ..................................................................................... 19  
  Section 5. **The Treasurer.** ..................................................................................... 20
ARTICLE VIII - COMMITTEES........................................................................... 20
  Section 1. Board Committees. ................................................................. 20
  Section 2. Remuneration Committee. .................................................. 20
  Section 3. Audit Committee. ................................................................. 20
ARTICLE IX - UTILIZATION AND WITHDRAWAL OF FUNDS................................. 21
  Section 1. Utilization of Funds. .............................................................. 21
  Section 2. Withdrawal of Funds. ........................................................... 21
ARTICLE X - TRANSACTIONS ........................................................................... 21
  Section 1. Fiscal Year......................................................................... 21
  Section 2. Audit of Accounts............................................................... 21
  Section 3. Prohibition Against Sharing in Corporation Earnings.... 22
ARTICLE XI - BUDGET ................................................................................... 22
ARTICLE XII - PUBLIC INFORMATION .......................................................... 22
ARTICLE XIII - INSPECTION ......................................................................... 23
  Article XIV - TRADE NAME ................................................................. 23
ARTICLE XV - SEAL AND LOGO ................................................................. 23
ARTICLE XVI - AMENDMENTS ..................................................................... 23
Article I - NAME

The name of the Corporation is as set forth in its Articles of Incorporation, namely:

CLEAN AIR INITIATIVE FOR ASIAN CITIES (CAI-ASIA) CENTER, INC.

Article II - DOMICILE

The domicile and principal office of the Corporation is as stated in the Articles of Incorporation.

Article III - DEFINITIONS

In these By-Laws, the terms below have the following meanings:

Audit Committee The committee of the Board which is responsible for the financial arrangements as outlined in Article VIII Section 3

Business Plan Planning document covering a two year period which details the operational plans of the Corporation and which serves as the basis for formulating the budget of the Corporation

CAI-Asia Partnership A non-legal, non-binding multi-stakeholder partnership which brings together stakeholders from local and national governments, civil society, academe, media, private sector and development agencies in their aim to improve air quality management in Asia by sharing experiences and building partnerships

CAI-Asia Partnership Council The body responsible for governing the activities of the CAI-Asia Partnership

Executive Director The Executive Director of the Corporation

he, his or him References that are gender neutral
No-objection basis  A Board procedure whereby in the absence of any request for discussion or in the absence of a sufficient number of abstentions (which should be communicated to the Secretary on or before the nominated last day for lodging abstentions or objections), the resolution will be considered by the Board without further discussion.

Officers  The executive officers of the Corporation as outlined in Article VII Section 1.

Operations Manual  The manual as approved by the Board and as revised from time to time, detailing the Corporation’s organization, division descriptions, staff terms of reference, financial procedures, instructions regarding the formulation of short term and medium term strategic outlines, the procedures for making applications to the Corporation, and procedures for day to day operations.

Remuneration Committee  The committee of the Board which determines, from time to time, the salary bands and benefits of Officers and employees of the Corporation as outlined in Article VIII Section 2.

Sent by mail  Includes a procedure where correspondence is delivered to the recipient at his residence or usual place of business, or sent to him at such place by registered mail or courier, fax, or a scanned copy sent by e-mail, or delivered personally.

Article IV - MEMBERSHIP

Section 1. Classification of Membership. Membership in the Corporation shall be classified as follows:
1.1 Voting Members

Voting Members are: (i) the incorporators and initial members until withdrawal or termination of their membership in the Corporation; (ii) natural persons who have applied for and are qualified for membership in the Corporation; and (iii) the duly designated nominees or representatives of stakeholders and qualified organizations (as defined in Section 1.1 [i] and [ii] respectively of this Article IV) who have applied for and are qualified for membership in the Corporation pursuant to the provisions of these By-Laws.

[i] Stakeholder representatives

The overall membership needs to be able to reflect the interests of the combined stakeholders in promoting better air quality management (AQM) in Asia. This can best be accomplished by a system in which different categories of stakeholders in the CAI-Asia Partnership select a representative who will be a member of the Corporation. For this purpose, the following stakeholder categories are adopted:

1. Cities and other forms of local governments;
2. National government agencies;
3. Civil society and academe;
4. Business sector; and
5. Development Agencies

Each category of stakeholders will be entitled to nominate one (1) representative, and alternate in accordance with the selection procedures developed by the CAI-Asia Partnership. Such representative/alternate shall be subject to the qualification rules for membership of the Corporation. Upon admission to membership, such representative/alternate shall become a Voting Member of the Corporation.

[ii] Qualified organizations

Organizations providing to the Corporation more than US$150,000 during any twelve (12) month period may apply to become, and if approved by the Board, will be a Voting Member of the Corporation (hereafter, “qualified organizations”).

Subject to the terms and conditions prescribed in the Articles of Incorporation and these By-Laws, only those Voting Members whose status has been classified as members in these By-Laws shall be qualified to vote, be voted for and to hold office as trustee or Officer of the Corporation, provided they are members in good standing, except for the Executive Director who may or may not be a Voting Member.
A juridical entity accepted as a member of the Corporation may designate, by resolution of its board of directors or equivalent governing body, from time to time, one (1) nominee or representative and alternate who shall exercise its rights as a member of the Corporation.

Subject to the provisions of these By-Laws, the Board may, from time to time, and by appropriate resolution, adopt such rules governing the rights and obligations of membership in the Corporation.

1.2 Non-Voting Members

Non-voting members shall consist of: (i) funding organizations providing US$15,000 to US$150,000 during any twelve (12)-month period to the Corporation; and (ii) honorary and ex-officio members.

[i] Funding organizations

Organizations providing US$15,000 to US$150,000 to the Corporation during any twelve (12)-month period will be qualified to apply as non-voting members of the Corporation.

Organizations providing less than US$15,000 are not qualified to apply as non-voting members, however, their contribution, if accepted, will be duly recorded in the books of the Corporation and will be acknowledged and posted on the website and other publications of the Corporation.

[ii] Honorary and ex-officio members

From time to time the Board may award an honorary membership to an individual who has made an extraordinary contribution to the Corporation or air quality management in Asia. Honorary membership will be for life. Honorary members are entitled to attend and participate in activities of the Corporation but they shall not be entitled to vote, nor to hold office.

The Board may induct ex-officio members selected on the basis of their affiliation with an organization that is of direct relevance to the Corporation. Ex-officio members are entitled to attend and participate in activities of the Corporation, but they shall not be entitled to vote, nor to hold office. The membership of ex-officio members shall be reviewed by the Board on an annual basis.

Section 2. Qualifications for Membership. - Admission to membership in the Corporation shall be made to prospective members only
upon the approval of the request for membership by the Board of Trustees. The applicant for membership must meet the qualifications provided in the By-laws. The Board of Trustees, by majority vote, shall have the power to waive any of the requirements or qualifications for admission for non-voting membership.

Section 3. **Application Process for Individual Members.** - The procedure for individual admission is as follows:

a. The application form for individual membership shall be accomplished and be submitted to the Corporation through its Executive Director.

b. The application for membership is presented to the Board by the Executive Director at its next meeting, and must be approved by at least a majority of all members of the Board.

c. Upon approval of the application for membership by the Board, the Executive Director shall issue written confirmation to the applicant.

d. In case the application for membership is rejected by the Board, the Executive Director shall by written notice inform the applicant and provide the reasons for rejection.

Section 4. **Application Process for Juridical Entities.** - The procedure for membership of juridical entities is the same as the procedure for admission of individual members, except:

a. The application for a juridical entity shall give sufficient information to properly identify the applicant and be signed by the nominee/representative, and accompanied by a resolution of the applicant’s board of directors or equivalent governing body, constituting and appointing the nominee/representative of the juridical entity.

b. The juridical entity may substitute the nominee/representative, by providing the Secretary with evidence of a resolution of the Board of Directors or equivalent governing body of the entity authorizing such substitution.

Section 5. **Effectivity of Membership.** - Any person accepted to membership in the Corporation shall become a member only upon a formal written confirmation of such membership issued by the Executive Director indicating the membership commencement date which shall be the date of Board approval of the application for membership.

Section 6. **Membership in Good Standing.** - Any member who: (i) has not violated any provision of these By-Laws, rules and regulations, circulars/memoranda and other issuances of the Corporation; (ii) has complied
with all the obligations, duties, and undertakings of membership; (iii) has not been found guilty of a crime involving moral turpitude (for individual members); and (iv) has not acted in a manner contrary to the purposes of the Corporation, as determined by the Board; shall be considered in good standing.

Section 7. **Limitation on the Right of Members to Assets.** - No member shall have or acquire any right, title or interest in the fund or assets of the Corporation nor any vested right in the continuation of any of the services of the Corporation, nor be entitled to share in the distribution of any assets of the Corporation upon its dissolution. All funds and assets of the Corporation shall be utilized and applied by the Board of Trustees for the attainment of the purposes and objectives and such other activities in furtherance of the objectives of the Corporation as stated in the Articles of Incorporation.

Section 8. **Termination of Membership.** – Membership in the Corporation may be terminated in any of the following ways:

a. by voluntary withdrawal. Such withdrawal shall be made by giving a notice in writing to the Secretary, or in the case of a corporate member, a resolution of its board of directors or governing entity. Upon receipt of the notice of withdrawal or resolution, as the case may be, the Secretary shall advise the Board. The membership shall be terminated effective as of the date the notice or resolution is received by the Secretary;

b. dissolution of a corporate member;

c. withdrawal of support for a stakeholder representative of the CAI-Asia Partnership as evidenced by a resolution of the CAI-Asia Partnership Council; and

d. removal in accordance with Section 9 hereof.

Section 9. **Suspension/Removal.** –

a. The Board may immediately suspend any member from membership for a period of sixty (60) days, if, after inquiry during which such member shall be given an opportunity to be heard, such member is found to have acted contrary to the interests and to the prejudice of the Corporation. The suspension shall continue until deliberations for removal of the member are completed.

b. Any member may be removed from membership for conduct deemed prejudicial to the Corporation by a vote of majority of the Board and ratified by majority of the members present at any annual or special meeting of the members called for the purpose.
c. The procedure for suspension and removal of members shall be provided for by the Board.

Article V - MEETINGS OF MEMBERS

Section 1. **Place of Meeting.** - All meetings of the members of the Corporation shall be held in its principal office or in such other places in the Philippines as majority of the members of the Board may approve.

Section 2. **Annual Meeting.** - The annual meeting of the members of the Corporation shall be held on the third Monday of June.

If the annual meeting is not held on the day designated, the Board shall cause a special meeting to be held and the proceedings at such special meeting shall be the same as those for an annual meeting, provided, however, that the notice of such meeting shall be given as set forth in Section 3 hereof.

Section 3. **Notice of Annual Meeting of Members.** - At least fifteen (15) calendar days prior to the date fixed by Section 2 of this Article for the holding of the annual meeting of members, written notice of the time, place and purposes of such meeting shall be delivered to each member. Such notice shall be sent by mail to each member. Every such notice shall state the date, time and place of the meeting and the purposes thereof.

Section 4. **Order of Business at Annual Meeting.** - The order of business at the annual meeting of the members shall be as follows:

a. Call to Order
b. Certification of Quorum
c. Approval of minutes of previous meeting
d. Report of the Chairman/President
e. Election of Trustees
f. Approval of the acts of Officers and management
g. Other Matters
h. Adjournment

In the absence of any objection, the presiding Officer may vary the order of business at his discretion.
Section 5. **Special Meetings of Members.** - A special meeting of the members may be called at any time by a majority of the Board of Trustees. Upon receipt of a notice in writing setting forth the date and proposed agenda of such special meeting, signed by a majority of the Board of Trustees, the Secretary shall issue the notices requisite to such meeting.

Section 6. **Notice of Special Meeting of Members.** - At least ten (10) calendar days prior to the date fixed for the holding of any special meeting of members, written notice of the date, time, place and purposes of such meeting shall be delivered to each member as provided in Section 3 of this Article V. Only business mentioned in the notice shall be transacted at such meeting.

Section 7. **Waiver of Notice.** - Notice of meetings may be waived in writing by any member either before or at the meeting. Notice may also be deemed or impliedly waived, if all the members are present at a meeting and such members participated in, and voted during the meeting, without protest.

Section 8. **Quorum.** - The presence at the meeting of at least a majority of the members entitled to vote, in person or by proxy, shall constitute a quorum for any action, except as otherwise provided by law. If a quorum is not present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without need of further notice other than an announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 9. **Proxies.** - At all meetings of members, each member entitled to vote may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary in person or sent by mail and received by the Secretary at least 24 hours prior to the meeting. Proxies shall essentially be in the following form:

**PROXY FORM**

CLEAN AIR INITIATIVE FOR ASIAN CITIES (CAI-ASIA) CENTER, INC. (the Corporation)

The undersigned, a member of ______________________________ hereby nominates, constitutes and appoints ____________________________ or ____________________________ as its proxies to represent it at the annual meeting of the members of said Corporation on ______________ and adjournments thereof, as
fully to all intents and purposes as it might do if present and acting in person.

In case of non-attendance of both of the aforesaid proxies at any particular meeting, the undersigned authorizes and empowers the Chairman and/or Secretary of the meeting to fully exercise all rights as its proxy at such meeting.

Name of Member

Signature of representative over Name and Position

Date

Section 10. **Voting**. - At every meeting of the members of the Corporation, every Voting Member is entitled to one vote and may vote by proxy in instances permitted by law.

**Article VI - BOARD OF TRUSTEES**

Section 1. **Composition of the Board**. The corporate powers of the Corporation shall be exercised, its operations managed and its property controlled, by a Board with such number as set forth in the Articles of Incorporation of the Corporation. Each trustee must be a Voting Member, except for the Executive Director who may or may not be a Voting Member, in good standing and must remain as such during his tenure. The trustees shall be elected at the annual members’ meeting and shall hold office in accordance with the provisions of Section 2, Article VI hereof.

Section 2. **Election of Trustees**. - The Board shall be composed of seven (7) members. At the first annual members’ meeting after incorporation, there shall be elected seven (7) members of the Board in accordance with Section 4 of this Article VI. The trustees shall be elected annually in the manner provided in these By-Laws and each trustee shall hold office until the next annual meeting and until his successor shall have been elected and shall have been qualified, or until his death, or until he resigns, or shall have been removed in the manner hereinafter provided.

After election of the members of the Board of Trustees, they will, if constituting a quorum, immediately convene an organizational meeting during which they will, among others, elect or appoint the Chairman/President,
Executive Director, Secretary and Treasurer. The Chairman/President must be a trustee of the Corporation.

Section 3. **Qualifications.** - A candidate for a trustee must be a Voting Member in good standing. In addition, a trustee shall likewise meet the following qualifications:

a. Strong affinity with urban air quality management and personal knowledge of or experience in the development and implementation of urban air quality management policies and programs;

b. Well-developed appreciation of the need of a multi-sectoral approach to urban air quality management and having present or prior association with the national or local government, civil society, private sector, media or development organizations;

c. Good understanding of the challenges of managing a newly-independent organization including associated financial processes; and

d. Strong network in the area of urban air quality management, environment and development cooperation.

Section 4. **Term of Office.** -

a. Each trustee shall serve for a term of three (3) years and may be re-elected for a maximum of two (2) successive terms. Trustees shall serve for staggered terms, such that the term of office of two (2) or three (3) trustees shall expire every year. Subsequent elections shall be conducted for two (2) or three (3) (as the case may be) new members of the Board of Trustees, who shall have a term of three (3) years. Upon establishment of the Corporation the trustees will decide in mutual consultation on the trustees whose term will expire after one year and those trustees whose term will expire after two years. Failure to reach an agreement satisfactory to all will result in a binding decision by the Chairman/President on the trustees whose term will expire when.

b. The members of the Board named in the Articles of Incorporation shall serve as trustees after incorporation and until their successors are elected as provided under Article VI, Section 4a. and Article VI, Section 4c.

c. In case any vacancy or vacancies should occur in the Board of Trustees, due to any cause, except removal or expiration of term of a trustee, such vacancy or vacancies may be filled by the vote of at least a majority of the remaining trustees, if still constituting a quorum. The said vacancy or vacancies can be filled by election from among the Voting Members in good standing and the Voting Members so elected shall act as trustee/s of said
Board for the unexpired term of said vacant seat/s. The election of a trustee under this Section 4c., Article VI shall be considered as one full term, for purposes of determining his eligibility for re-election under Section 4a., Article VI hereof. If the remaining trustees no longer constitute a quorum, such vacancy must be filled by the members in a regular or special meeting called for that purpose. A trustee elected to fill a vacancy shall serve only for the unexpired term of the trustee being replaced. The service by the new trustee for the unexpired term counts as one term, for purposes of re-election under this Section 4(a), Article VI. A written notice to all members shall be made by the Board, and served within one (1) week from the designation of the new trustee. Such notice shall be sent by mail.

d. Any trustee of the Corporation may be recalled and removed from office by the vote of two-thirds (2/3) of the total number of Voting Members of the Corporation in any regular or special meeting called for the purpose.

e. Any member of the Board may be recommended for removal by a majority of the Board, under any of the following circumstances:

1) For consistent failure to participate in three (3) consecutive meetings of the Board or failure to carry out duties arising from participation in the Board;
2) For acting contrary to the objectives of the Corporation, or any decision of the Board;
3) For failure to comply with the provisions related to disclosure of interests of members of the Board;
4) For acts indicating lack of integrity or honesty.

Such recommendation shall be submitted to the members for approval under Section 4d. of this Article VI.

Section 5. Disclosure of Interests by Members of the Board of Trustees. - Whenever a member of the Board has a direct or indirect pecuniary or non-pecuniary interest in a matter being considered by the Board, such member shall immediately disclose the nature and extent of this interest to the Chairman and at the next meeting of the Board. A disclosure of such interest shall be recorded in the minutes of the meeting of the Board. If the Board determines, without the vote of the disclosing member, that such an interest is sufficiently strong to constitute a potential conflict of interests with the interests and objectives of the Corporation, the disclosing member shall not be present during any deliberation of the Board with respect to such matter, and shall not take any part in any decision of the Board with respect to that matter.

Section 6. Functions and Powers of the Board of Trustees. - The corporate powers of the Corporation shall be exercised, all business conducted and all property of the Corporation controlled by the Board of Trustees.
Without prejudice to the general powers mentioned, the Board shall have the following express powers:

a. to adopt rules and regulations for the admission of members including the grounds for suspension and disciplinary actions and payment of assessments, penalties, the government of the members and management of the affairs of the Corporation, its projects, and facilities;

b. to approve the Operations Manual including Rules of the Board;

c. to approve the Business Plan and annual budget of the Corporation;

d. to review on a no-objection basis, project agreements with a value of more than US$15,000.00 and less than US$500,000.00, and to review project agreements with a value equal to or more than US$500,000.00;

e. to approve quarterly and annual reports on the finances of the Corporation;

f. to approve six-monthly and annual reports on the operations of the Corporation;

g. to approve selection of an asset managing firm or commercial bank to manage the funds of the Corporation;

h. to open a credit line with a commercial bank to meet projected shortfalls in cash provided that the maximum amount of the credit line is adequately covered at all times by future income under approved and signed funding agreements;

i. select, recruit and appoint the Executive Director, and terminate the contract of the Executive Director as appropriate; and

j. from time to time, to delegate, as may be permitted by law and these By-Laws, any of the powers of the Board to any committee, Officer or agent.

Section 7. **Regular Meeting.** - The regular meetings of the Board shall be held semi-annually or at such other time and at such place in or outside of the Philippines as the Board may determine.

Section 8. **Special Meeting.** - Special meetings of the Board shall be held at the written request of any four (4) trustees and shall be held at the principal office of the Corporation or at such time and place in or outside the
Philippines, or by tele- or video-conferencing, provided that notice of such special meeting shall be given to the members of the Board at least ten (10) days before such meeting.

Section 9. **Notice.** - Notice of every meeting shall be sent by mail to each trustee, addressed to him at his residence or usual place of business, at least fourteen (14) days before the day on which the meeting is to be held. Every such notice shall state the time and place of the meeting and the purposes thereof.

Section 10. **Waiver of Notice.** - Notice of meetings may be waived in writing by any trustee either before or after the meeting. Notice may also be deemed or impliedly waived, if all the trustees are present at a meeting for which notice was not sent or received by the trustees, and such trustees nevertheless participated in, and voted during the meeting, without protest.

Section 11. **Quorum.** - A majority of the total existing trustees shall be necessary at all meetings to constitute a quorum for the transaction of business. Except as otherwise provided by law or the Articles of Incorporation or these By-Laws, every decision of the majority of such a quorum duly assembled as a Board shall be valid as a corporate act except for the election of Officers which shall require the vote of a majority of all the members of the board.

Section 12. **Compensation of Trustees.** - The Board may set and authorize payment of bona fide per diem for attending Board meetings, and reimbursement of pre-approved expenses incurred in connection with performing duties of Board members. No other remuneration or salary shall be paid for their services as Board members. The Operations Manual will set out the rate of per diem and allowed expenses.

Section 13. **Indemnification of Trustees and Officers.** A trustee or Officer of the Corporation whether presently in office or with retroactive effect, or in the event of the death of such Trustee or Officer, his lawful representative, shall be indemnified by the Corporation with respect to the performance of his official acts, duties and functions, against:

a. All costs and expenses, reasonably incurred by or imposed upon him in connection with or resulting from any action, suit or proceedings prosecuted to final determination on the merits to which he may be a party in such capacity as a trustee or Officer of the Corporation, except any costs and expenses incurred by or imposed upon him in relation to matters as to which he shall be finally adjudged to be personally liable or in connection with any dishonest or fraudulent act committed by him, Provided: that the Corporation may take out a reasonable insurance policy as determined by the Board for indemnification of these costs and expenses with exception of those costs and
expenses in relation to matters in connection with any dishonest or fraudulent act committed by him or where he is acting outside his authority; and

b. All costs and expenses incurred by or imposed upon him in connection with or resulting from any such action, suit or proceeding which is settled with the approval of the Court having jurisdiction thereof but only in such amount as such Court shall determine in the circumstances.

Section 14. **Responsibility for publications issued by the Corporation.** Trustees and Officers are not responsible for the content of publications issued by the Corporation or which the Corporation has contributed to. Reports issued by the Corporation, or which the Corporation has contributed to will carry the standard disclaimer: “The views expressed in this report are those of the authors and do not necessarily reflect the views of the CAI-Asia Center or its Board of Trustees”. Trustees and Officers will make reasonable efforts to ensure that publications issued by the Corporation have undergone proper reviews before they are published.

**ARTICLE VII - OFFICERS**

Section 1. **Executive Officers.** - The executive officers of the Corporation shall be the Chairman/President, Executive Director, Treasurer and Secretary, all of whom shall be elected or appointed by the Board. The executive officers may be removed with or without cause at any meeting by the concurrence of the vote of five (5) trustees. The Board may appoint such other officers and delineate their powers and duties as the Board shall find necessary to manage the affairs of the Corporation.

Section 2. **The Chairman/President** - The Chairman/President (who is a different person from the Executive Director), shall preside at all meetings of the members and at all meetings of the Board, at which he shall be present. Unless otherwise determined by the Board and subject to such limitations or guidelines which the Board may issue from time to time, he shall have full power and authority to vote, on behalf of the Corporation, in person or by proxy at any meeting of any institution in which the Corporation is represented. He shall represent the Corporation in activities and meetings of the CAI-Asia Partnership and related projects and programs. He shall, in consultation with the Executive Director, inform the Board and the members of the Corporation on all matters of interest to them and shall have all such other powers and duties as the Board may prescribe from time to time. He shall co-sign, with the Treasurer and the Executive Director, all checks, drafts, notes and orders for the payment of money against the funds of the Corporation in amounts above US$150,000.00. In those cases where the votes in a meeting of the Board are tied, the vote of the Chairman shall be the decisive vote.
Section 3. **The Executive Director.** - The Executive Director, who may or may not be a member, shall have the general care and supervision of the business and affairs of the Corporation. He shall have other powers incident to the office of the Executive Director and such other duties and powers as the Board may fix by resolution. Specifically:

a. He shall represent the Corporation in and execute all contracts and agreements entered into for and in behalf of the Corporation, by authority of the Board, expressed in a general or special resolution or other written instruments; and he shall, with the counter-signature of the Chairman, issue a Certificate of Donation in such form as the Bureau of Internal Revenue may prescribe on every donation received by, for and in behalf of the Corporation;

b. Jointly with the Treasurer, he shall be responsible for the opening and handling of the bank accounts of the Corporation;

c. He shall, while subject to the provisions of the Operations Manual, sign all checks, drafts, notes and orders for the payment of money against the funds of the Corporation in amounts up to US$50,000.00, co-sign with the Treasurer all checks, drafts, notes and orders for the payment of money against the funds of the Corporation in amounts in excess of US$50,000 to US$150,000 and co-sign with the Chairman/President and Treasurer or another trustee assigned by the Board, all checks, drafts, notes and orders for the payment of money against the funds of the Corporation in amounts above US$150,000.00; however, the Board may authorize other Officers of the Corporation to perform these duties, from time to time;

d. He shall appoint and remove as he may deem necessary, any employee and agent of the Corporation, to determine, fix and change their compensations, subject to the salary bands and benefits determined by the Remuneration Committee.

e. He shall, with the approval of the Board, purchase, lease, or otherwise acquire for the Corporation rights and privileges of properties, and he shall solicit grants for the projects of the Corporation and manage, conserve and invest the funds of the Corporation in line with the instructions and guidance provided by the Board and in compliance with the Operations Manual procedures;

f. He shall name and appoint all the agents and employees of the Corporation subject to the approval and/or revocation by the Board, Provided, however: that he may dismiss or accept the resignation of any employee even without prior action of the Board;

g. He shall have general and active management of the affairs of the Corporation, but he may delegate in whole or in part this function in writing to
the Deputy Executive Director, other officers or members and notify such to the Board in the following quarterly report;

h. He shall have the power to engage technical consultants and advisors as needed to perform the functions of the Corporation;

i. He shall implement and ensure that the policies and decisions of the Board and those adopted in the meetings of the members of the Corporation, are properly executed and complied with;

j. He shall be responsible for the procurement and disbursement of funds for all projects and activities funded by the Corporation in compliance with the Operations Manual procedures;

k. He shall submit to the Board all project proposals with a value of: (i) more than US$15,000.00 and less than US$500,000.00, on a no-objection basis, and (ii) equal to or more than US$500,000.00, for Board approval, Provided: he shall review and approve all project proposals with a value of up to US$15,000.00;

l. He shall be responsible for the performance and financial monitoring of all projects and activities funded by the Corporation. He shall submit to the Board quarterly financial reports within fifteen (15) days from the close of each quarter, six-monthly operational reports within thirty (30) days of the close of each six month-period, and, within sixty (60) days from the close of each fiscal year a complete report of the operations of the Corporation for the preceding year.

Section 4. **The Secretary.** -The Secretary, who must be a citizen and resident of the Philippines, shall take and keep true minutes of all meetings, give notice of all meetings to members and Trustees, have custody of the corporate seal, notify the Trustees of their election, and in general, perform all duties incident to the office of Secretary and such other duties as may be assigned to him by the Executive Director, or the Board. Specifically, he shall:

a. Keep an accurate record of the resolutions and proceedings of each meeting of the Board, together with a record of the names of persons present, and provide copies of such resolutions and proceedings to members of the Board no later than 10 calendar days following the meeting;

b. Ensure the distribution to the Board of quarterly, six monthly and annual reports prepared by the Executive Director;

c. Oversee the recording of any correspondence to and from the Corporation, and ensure that the Board is kept informed of such correspondence as instructed by the Board.
Section 5. **The Treasurer.** - Subject to the provisions of these By-Laws, the Operations Manual and to such regulations as may from time to time be fixed by the Board, the Treasurer shall have custody of the funds and securities of the Corporation. He shall likewise oversee the financial procedures in the Operations Manual. He shall co-sign with the Executive Director all checks, drafts, notes and orders for the payment of money against the funds of the Corporation in amounts in excess of US$50,000.00 and subject to the provisions of the Operations Manual. Jointly with the Executive Director, he shall be responsible for the opening and handling of the bank accounts of the Corporation.

**ARTICLE VIII - COMMITTEES**

Section 1. **Board Committees.** - The Board may create, from time to time, such committee or committees as may be deemed desirable and necessary in the implementation of the purposes, programs and projects of the Corporation and such committees shall exercise such powers and perform such functions and duties as may be prescribed by the Board. Permanent standing committees will be established on Remuneration and on Audit.

Section 2. **Remuneration Committee.** - The Remuneration Committee of the Board will (i) determine the salary bands and benefits of Officers and employees of the Corporation, and review these from time to time; ii) review the Executive Director’s proposals for modifying the salary bands and benefits and make recommendations to the Board; and iii) review the performance of the Executive Director and make recommendations to the Board.

Section 3. **Audit Committee.** The Audit Committee of the Board will review the: i) quarterly and annual financial reports; (ii) results of the external audit of the Corporation; and (iii) report and propose any recommendations to the Board regarding the financial arrangements and activities of the Corporation.

Section 4. **Composition, powers and duties of Committees.** The detailed terms of reference, composition, powers, duties, reporting procedures, duration of offices, and procedures for reimbursement of expenses of any committee established need to be clearly stated and documented in the Operations Manual. Members of such committees which are not vested with the powers or duties considered as primary duties of the Board need not be members of the Board or the Corporation and where possible, committee service should be rotational. Members of such committees may, subject to the provisions of the Operations Manual, be allowed reasonable reimbursements for expenses incurred as such members.
ARTICLE IX - UTILIZATION AND WITHDRAWAL OF FUNDS

Section 1. **Utilization of Funds.** - The Corporation, on or before the 15th day of the third month after the close of the Corporation’s taxable year in which contributions, gifts or donations are received, shall directly utilize such funds for the active conduct of the activities constituting the purpose or functions for which it is organized and operated, unless an extended period is granted by the Secretary of Finance; provided, however, that utilization requirements shall be met as follows:

a. For Administrative Expenses. The amount of utilization for administrative expenses shall not exceed thirty percent (30%) of total donations and income for the taxable year.

b. Approval of the Commissioner of Internal Revenue. Amounts set aside or to be set aside for a specified project must have the prior approval of the Commissioner of Internal Revenue in writing, pursuant to laws or administrative regulations presently in effect or may be promulgated from time to time.

Section 2. **Withdrawal of Funds.** - Withdrawal of funds of the Corporation shall only be made through the Corporation’s operational bank account. All other withdrawals, including contributions or donations, which are deposited in banks, trust companies or other financial institutions designated by the Board in accordance with Article VI, Section 6g. thereof, shall be made only upon (i) the signature of the Executive Director, or any Officer or Officers of the Corporation as may be designated by the Board of Trustees and (ii) to the Corporation’s operational bank account.

ARTICLE X - TRANSACTIONS

Section 1. **Fiscal Year.** - The fiscal year of the Corporation shall commence on the first day of January of each year and end on the last day of December of the same year.

Section 2. **Audit of Accounts.** - The financial records of the Corporation shall be subject to annual audit by an independent auditor proposed by the Executive Director and approved by the Board, and may be verified annually by the Commissioner of Internal Revenue or his duly assigned representative for the purpose of ascertaining whether or not it continually meets the requirements for maintaining its qualified status as a tax-exempt Corporation.
Section 3. **Prohibition Against Sharing in Corporation Earnings.** - No member, trustee, Officer or employee, member of any committee of, or person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operation of the Corporation. No person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution or winding up of the affairs of the Corporation. All members of the Corporation shall be deemed to have agreed and consented that upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after paying its liabilities, shall be conveyed and transferred to a non-stock and non-profit Corporation in or outside of the Philippines dedicated to similar objectives and pursuits as the Board may decide.

**ARTICLE XI - BUDGET**

The Chairman, assisted by the Treasurer or the appropriate committee, shall present to the Board on or before the end of November of each year, a proposed budget for all activities of the Corporation to be undertaken for the following fiscal year, including administration expenses. The Board shall adopt the budgetary proposals covering administration expenses not later than December 30 of each year. In no case, however, shall expenses for administration exceed thirty percent (30%) of the total donations for the taxable year. A six (6)-month review of the budget will be undertaken with any adjustments to be proposed to, and approved by, the Board.

**ARTICLE XII – PUBLIC INFORMATION**

In view of the purposes of the Corporation, it is necessary that public information be available, beyond simply the Inspection provision in Article XIII. Specifically:

a. The Corporation shall invite national stakeholders as well as representatives of international development assistance agencies to attend its annual members’ meeting to inform them about the activities of the Corporation;

b. The Corporation shall maintain an up-to-date official website where the activities of the Corporation are publicly disclosed. In particular, the website shall provide a detailed summary and description of all projects and activities that have received funding from the Corporation, and the audited annual financial reports;

c. At least once a year, the Corporation shall publicly report a list of all projects and activities that have received the Corporation’s financial
support. This report should be made available to the printed media and the broadcast media (radio and television); and

d. The Corporation shall provide, free of charge, a copy of the annual audited financial report to any individual, organization, and agency requesting the report.

ARTICLE XIII - INSPECTION

These By-Laws, with all the amendments thereto, shall at all times, be kept in a convenient place at the principal office of the Corporation and shall be open for inspection to all members of the Corporation during business hours.

These By-Laws shall likewise be posted on the Corporation’s website.

Article XIV - TRADE NAME

Subject to the approval of and registration with the appropriate government agency, the Corporation shall conduct its activities using the trade name: Clean Air Initiative for Asian Cities (CAI-Asia) Center or CAI-Asia Center.

ARTICLE XV - SEAL AND LOGO

a. The Corporation shall have its own seal to be used by the Board and Executive Officers and kept by the Secretary, and in addition the Corporation shall approve and authorize the use of the Corporation’s own logo.

b. All documents that bear the seal shall be regarded as official documents and shall be recorded and copies properly filed with the Secretary.

ARTICLE XVI - AMENDMENTS

These By-Laws may be amended in whole or in part by the affirmative vote of a majority of the trustees including the Chairman of the Board, and by at least a majority vote of all the members of the Corporation at any regular or special meeting where such action has been announced in the call or notice of the said meetings.

ADOPTED in Mandaluyong City, Philippines, this 11th day of June 2007 by the affirmative vote of all the incorporators of the Corporation.
Elisea Gozun  
TIN: 138 668 205

Francis Estrada  
TIN: 217 197 087

Charles Melhuish  
Passport No.: 706243045

Cornelius R.H.M. Huizenga  
Passport No.: BA0377297

Glynda Bathan-Baterina  
TIN: 191 722 953