

COMMITTEE OF EXPERTS ON THE TRANSPORT OF DANGEROUS GOODS AND ON THE GLOBALLY HARMONIZED SYSTEM OF CLASSIFICATION AND LABELLING OF CHEMICALS

Sub-Committee of Experts on the
Transport of Dangerous Goods

Twenty-sixth session
Geneva, 29 November-7 December 2004
Item 9 of the agenda

OTHER BUSINESS

Application for consultative status by the Council on Safe Transportation of Hazardous Articles (COSTHA)

1. The Secretariat has received an application from the Council on Safe Transportation of Hazardous Articles (COSTHA) for consultative status with the Sub-Committee of Experts on the Transport of Dangerous Goods.
2. “COSTHA Summary”, “Information on COSTHA” and “COSTHA Mission Statement” are reproduced in Annex 1.
3. “COSTHA Members” is reproduced in Annex 2.
4. “COSTHA BYLAWS” is reproduced in Annex 3.
5. The Sub-Committee is invited to decide whether COSTHA may participate in its work with a consultative status.

Annex 1

COSTHA Summary

Founded in 1972, the Council on Safe Transportation of Hazardous Articles (COSTHA), is a non-profit industry association devoted to promoting regulatory compliance and safety in the international and domestic transportation of dangerous goods.

COSTHA represents shippers, carriers, container manufacturers, chemical manufacturers, automobile manufacturers, automobile component manufacturers such as air-bags and batteries, and training companies, as well as many other businesses and associations responsible for over 140 billion dollars in international commerce, involved in all aspects of transportation of dangerous goods, hazardous substances, and hazardous wastes.

COSTHA member representatives primarily consist of managers with responsibility for dangerous goods compliance on a global basis. COSTHA members provide industry expertise in the development and implementation of reasonable and responsible controls over the safety and security of dangerous goods transportation.

The mission of COSTHA, is to assist and support its members by providing knowledge and timely regulatory information to aid and develop their roles as dangerous goods professionals and to monitor international regulatory activity.

To ensure the mission and goals of the organization are accomplished COSTHA is involved in a variety of activities that promote the furtherance of dangerous goods transportation compliance and safety.

As a non-profit association COSTHA does not print an annual report. All revenue is generated from membership dues, meetings and sales of regulatory publications.

The Board of Directors is comprised of members representing thirteen companies. Two of the companies are headquartered in Switzerland, 1 in Japan and ten in the USA. Of the thirteen companies, ten are major international companies.

COSTHA is not affiliated with any of the other organizations currently enjoying observer status with the UN SCOETDG nor are our interests and technical expertise represented by any of these organizations.



Information on COSTHA

Founded in 1972, the Council on Safe Transportation of Hazardous Articles (COSTHA), is a non-profit industry association devoted to promoting regulatory compliance and safety in the international and domestic transportation of dangerous goods. COSTHA represents shippers, carriers, container manufacturers, chemical manufacturers, automobile manufacturers, automobile component manufacturers such as air-bags and batteries, and training companies, as well as many other businesses and associations responsible for over 140 billion dollars in international commerce, involved in all aspects of transportation of dangerous goods, hazardous substances, and hazardous wastes.

Our membership of over 130 companies represent gas and chemical companies, paint and coatings manufacturers, pharmaceutical companies, electronics manufacturers, transporters representing all modes of transport, automobile manufacturers and their suppliers, as well as training and consulting companies. Our members represent companies with geographical diversity, for example our automobile manufacturing members represent well known companies in Japan such as Toyota, Honda, Nissan and Mitsubishi, German manufacturers such as BMW and Mercedes Benz, Swedish car makers such as Volvo, and US manufacturers such as Ford and DaimlerChrysler. COSTHA has experienced an average growth rate over the last six years in excess of 20% per annum.

These global interests represented by the companies making up our membership provide COSTHA the ability to discuss and develop consensus positions based on the benefit of cultural diversity and national requirements. Many of the names appearing in our membership list can be clearly recognized as leaders in the dangerous goods manufacturing, shipping, and transporting industries throughout the world including Europe, Asia, and North America.

COSTHA member representatives primarily consist of managers with responsibility for dangerous goods compliance on a global basis.

Strategic management of the association is led by the 13 member Board of Directors. Of the 13 members of the Board of Directors, 10 represent major international companies. Association bylaws stipulate that the Board of Directors consists of no less than 7 and no more than 13 persons. The association strives to ensure that diverse business interests are represented on the Board of Directors.

COSTHA Mission Statement

The mission of COSTHA, The Council on Safe Transportation of Hazardous Articles, Inc. is to assist and support its members by providing knowledge and timely regulatory information to aid and develop their roles as dangerous goods professionals.

To ensure the mission and goals of the organization are accomplished COSTHA is involved in a variety of activities that promote the furtherance of dangerous goods transportation compliance and safety.

COSTHA –

- produces quarterly meetings around the United States and Canada
- works closely with representatives from UNCTAD in the Caribbean to schedule meetings and training courses.
- COSTHA conducts domestic and international training on dangerous goods at our annual conference, attended by hundreds of transportation professionals and speakers from around the globe.
- COSTHA promotes the availability of training and consulting services provided by its large contingency of training company and consulting company members to ensure that the transportation community has resources readily available.

COSTHA monitors, summarizes and communicates with its members on the International and National Regulations regarding the transportation of dangerous goods.

~~///~~ As a non-profit association COSTHA does not print an annual report. All revenue is generated from membership dues, meetings and sales of regulatory publications.

~~///~~ A list of members of the governing body of COSTHA and their countries of nationality appears below.

The Board of Directors is comprised of the following companies. Two of the companies are headquartered in Switzerland, 1 in Japan and ten in the US. Of the thirteen companies, ten are major international companies.

Access Business Group, USA
Eli Lilly and Company , USA
GE Betz, USA
Hoffmann-La Roche Inc., of Roche Group, Switzerland
JohnsonDiversey, Inc., USA
Labelmaster, USA
Mary Kay Inc., USA
Mays Chemical Co., USA
New Century Transportation, USA
Novartis, Switzerland
Procter & Gamble, USA
Sun Chemical Corporation, USA
Toyota, Japan

- ~~///~~ A description of the membership of the organization, indicating the total number of members, the names or organizations that are members and their geographical distribution is attached (Attachment 1).

- ~~///~~ A copy of the by-laws of COSTHA is attached (Attachment 2).

Annex 2

3E Company
ABX Air
Access Business Group
Agility Logistics US, Inc.
Air Sea Atlanta
All-Pak, Inc.
American Honda Motor Co., Inc.
Andrew Jergens Company
Autoliv ASP, Inc.
BioVeris Corporation
BMW
Bureau of Dangerous Goods, LTD.
C.L. Smith Co.
Celanese Ltd.
Charleston Freight Station Inc.
CHEMTREC Center
Clorox Company
Cold Chain Technologies, Inc.
CP Ships (Canada) Agencies Limited
DaimlerChrysler
DaimlerChrysler - MOPAR Parts
Dangerous Goods Council Inc.
DDL, Inc.
Defense Supply Center Richmond
DG Supplies, Inc.
DGI Training Center
Ecolab Inc.
Econocaribe Consolidators, Inc.
Eli Lilly and Company
Expeditors
Expeditors International
Expeditors Int'l of Washington Inc.
Expeditors Int'l of Washington, DC
Federal Industries Corporation
Firmenich Inc
Fisher Scientific Chemical Division
Ford Motor Company
GE Betz
General Chemical Corporation
Global Transport Training Services
Grainger, Inc.
GSI Computer Services, Inc.
HazardousMaterials.com
HAZMAT SEMINARS
HAZMATPAC, Inc.
Henry H. Ottens MFG Co., Inc.
HMT Associates, L.L.C.
Hoffmann-La Roche Inc.
Honda of America Mfg., Inc.
Honeywell International
Hyundai Motor America
ICC The Compliance Center
ICI Americas Inc./Uniqema
ICI Americas, Inc.
ICI Paints

ICI/National Starch & Chemical Company
Industrial Packaging Alliance of N.A.
InfoTrac, Inc.
Inmark, Inc.
International Supply & Customs
International Warehouse Services, Inc.
ITW Chemtronics
J. Manheimer, Inc.
J.J. Keller & Associates, Inc.
Jevic Transport
JohnsonDiversey, Inc.
Key Safety Systems, Inc.
KIA Motors
Labelmaster
Labelmaster Canada
Lighter Association, Inc.
Lion Technology Inc.
Lockheed Martin Space Systems Company
Mary Kay Inc.
Mays Chemical Co.
Mays Chemical Co.
McIntyre Group Ltd.
McKesson Medical-Surgical, Inc.
Medpointe, Inc.
Menlo Worldwide Forwarding
Mercedes Benz
Mitsubishi Motors
MSC Industrial Direct
NCH Corporation
New Century Transportation
Newmont Mining Corporation
Nissan
Novartis Pharmaceuticals
Optimal Assistans
ORS Nasco
Ortho Clinical Diagnostics
Overnite Transportation Company
Polarome Mfg. Co., Inc.
Procter & Gamble
Public Utilities Commission of Ohio
Quest International
Raytheon Systems - SAS
Raytheon Systems - SAS
Reckitt Benckiser Inc.
Rohm and Haas Company
S.C. Johnson & Son, Inc.
Safety Specialists Inc.
SAF-T-PAK, Inc.
Sandler, Travis & Rosenberg, PA
Schering-Plough
Scripps Institution of Oceanography/UCSD
ShipMate, Inc.
Silberline Mfg. Co. Inc.
Skolnik Industries, Inc.
Stresau Laboratory, Inc.
Sun Chemical Corporation
Swedish Match North America
TG Missouri
The Dial Corporation

Toyota Motor Sales
Toyota Tsusho
Transportation Management Group, Inc.
TRW Automotive, Occupant Safety Systems
U.S. Worldwide Logistics, Inc.
Unilever H.P.C. USA
Unilever Home & Personal Care
United Parcel Service (UPS)
UNZ & Co. Inc.
VIACOM Inc.
Volvo Cars
Walnut Industries Inc.
Watkins, S. C. Duke
Westinghouse Electric Co. LLC

Annex 3

COSTHA BYLAWS

ARTICLE I

Corporate Identity

1. **Name and Location.** This corporation shall be known and designated as "The Council on Safe Transportation of Hazardous Articles, Inc." (COSTHA).
2. **Principal Office.** The principal place of business of COSTHA shall be in Washington, D.C. metropolitan area.

ARTICLE II

Purposes and Powers

1. COSTHA has the purposes and powers stated in its Article of Incorporation in the State of Delaware, 1980, and such other powers as are now or may be granted hereafter by the Bylaws or otherwise by law.
2. A primary purpose of COSTHA is to assist its members and the public in evaluating the practicality and efficacy of laws, rules, and regulations for the safe transportation and distribution of hazardous materials and dangerous goods through the accumulation, exchange and coordination of information and viewpoints from its members, the industry and trade organizations. COSTHA also shall assist its members and the general public in understanding the requirements to transport hazardous materials and dangerous goods in commerce.
3. To achieve this purpose COSTHA shall encourage research and studies to enhance the safe transportation of hazardous materials and dangerous goods, and shall work with and assist other persons, groups or organizations, including governmental organizations, bodies or agencies, in the formulation or improvement of policies, procedures, laws, rules and regulations applicable to the transportation and distribution of hazardous materials and dangerous goods.
4. COSTHA shall express the views of its members on appropriate laws and regulations, including petitioning for changes or exceptions, and may seek judicial review of certain actions.
5. COSTHA shall gather, receive, prepare and disseminate information about present and proposed laws, rules and regulations concerning the transportation and distribution of hazardous materials and dangerous goods.

ARTICLE III

Membership

1. **Eligibility.** Membership shall be available to commercial enterprises engaged in interstate, intrastate or foreign commerce, who are involved in one or more of the following activities:
 - a) Transportation of hazardous materials, hazardous substances, dangerous goods or hazardous wastes.
 - b) Manufacturing of hazardous materials, hazardous substances, or dangerous goods.
 - c) Offering of hazardous materials, hazardous substances, dangerous goods or hazardous wastes for transportation.
 - d) Manufacturing or reconditioning of vehicles, packagings or containers in which hazardous materials, hazardous substances, dangerous goods or hazardous wastes are transported.
 - e) Functioning as a trade association whose members engage in the activities described in subparagraphs a. through d.
 - f) Manufacturing or selling equipment or supplies relevant to the transportation of hazardous materials, hazardous substances, dangerous goods or hazardous wastes.
 - g) Provision of redemption services.
 - h) Provision of training, advice or counseling to or on behalf of those involved in any of the activities described in paragraphs a. through g.
2. **Voting Rights.** Each member has one vote.

3. **Member Representation.** Each member is entitled to designate one individual as its representative. Individuals designated as the representative of a member may be changed at any time at the pleasure of the member. The designation or change shall be reported to COSTHA. Each member representative is eligible for election to the COSTHA Board of Directors upon a two-thirds vote of the existing Board Members, or by the act of a majority of Directors present at any meeting in which a quorum is present. Except as provided under Article IX regarding proxies, no one other than the designated representative of a member is entitled to vote on behalf of that member.
4. **Honorary Membership.** Honorary membership may be considered and granted upon a two-thirds vote of the Board Members.

ARTICLE IV

Dues and Assessments

1. **Dues.**
 - a) The Board has the power to levy and collect dues from members of COSTHA, and to impose sanctions for delinquencies thereof.
 - b) For the assessment of dues, the Board may establish categories of membership. The Board also may authorize establishment of an associate membership category which shall have the power to neither vote nor entitle the member's representative to serve as a Director or Officer.
2. **Payment of Dues and Delinquency.**
 - a) Dues shall be paid by March 1 each year.
 - b) Dues are a condition of membership, and any member that fails to pay its dues by March 1 shall be considered not to be in good standing and shall immediately forfeit membership.
3. **Rules and Procedures.** The Board may establish procedures for the levy and collection of dues and special assessments.
4. **Termination of Membership and Liability for Dues.** Any member may resign by giving notice in writing to the President or the Secretary, mailed to the COSTHA Office. Receipt of such notice by the President or Secretary shall be deemed notice to the entire Board, and membership shall terminate on the day of receipt, or such later time as may be specified in the notice of termination. A resigning member shall not be entitled to a refund of any portion of the dues paid for the membership year in which the member resigned.

ARTICLE V

Management of COSTHA

1. Management of COSTHA is vested in the Board of Directors.
2. The Board of Directors is authorized to pay employees of COSTHA and for management services provided to COSTHA by non-employees.

ARTICLE VI

Board of Directors

1. **Composition.** The Board consists of no less than seven and no more than thirteen persons.
2. **Eligibility.** Only designated representatives of members in good standing are eligible to serve as elected members of the Board.
3. **Quorum of Directors.**
 - a) A majority of the Board constitutes a quorum for the transaction of Board business. If a quorum is not present at any meeting of the Board, the Directors present have the power to adjourn without notice until a quorum shall be present.
 - b) Proxies may not be used to establish a quorum. The act of a majority of the Directors present at any meeting in which a quorum is present is an act of the Board.
4. **Notice of Meetings.**
 - a) Whenever notice is required to be given to any Director under the provisions of the Articles of Incorporation, by these Bylaws, or by any other law, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such Director at that Director's address as it appears on the record

of COSTHA, postage prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice also may be given by other means that ensures delivery of notice.

5. **Attendance at Board Meetings.** Each Director is required to participate in and attend a minimum of 50% of all Board meetings each year to be eligible for renomination when his or her term expires.
6. **Resignation, Removal and Vacancies.**
 - a) In the event of a resignation, removal or vacancy on the Board created by other than the ordinary expiration of a duly-elected Director's term, the Board may elect a person to fill the vacancy at a regular or special meeting by a two-thirds vote of the existing Board Members, or by the act of a majority of the Directors present at any meeting in which a quorum is present. Persons so elected shall serve until a successor is elected for a full term at the next Annual Forum.
 - b) The Board has authority by a three-fourths vote of all Directors to remove from membership on the Board any person for cause.

ARTICLE VII

Nomination and Election of Directors

1. **Nominating Committee.**

- a) At least sixty days before the Annual Forum of the general membership, the President shall appoint a nominating committee, which shall consist of three Directors (one of whom shall serve as Chairman) and two members at large. No person may serve as chairman of the Committee more than once during any two consecutive years. No officer may serve on the Nominating Committee.
- b) A quorum for the Committee shall consist of three of its members.
- c) In selecting nominees, the Committee shall strive to assure that diverse business interests are represented on the Board.
- d) The Committee shall submit to the President the names of the nominees for Directors at least forty-five days prior to the Annual Forum. The President shall immediately notify the COSTHA members of the names of the person nominated to serve on the Board. Any member may propose another representative for election to the Board at the Annual Forum.
- e) A majority of the votes of members of COSTHA voting at the Annual Forum shall constitute election of an individual to the Board.

2. **Terms of Office.**

- a) Directors shall be elected for a term of two years. Terms are staggered so that one half of the Board is elected annually. Directors hold office for the full term for which elected, or (1) until the next scheduled meeting if that Director is no longer an employee or representative of the member employing that Director at the time of his or her election to the Board, or (2) unless removed under Article VI (6).
- b) Directors are limited to four successive terms of two years each, except that:
 - (i) an individual elected by the Board pursuant to Article VI (6)(a) may be elected to three successive terms of two years each; and
 - (ii) time served as a duly elected officer of COSTHA shall not count toward this limitation.
- c) Former Directors are eligible for reelection to the Board after being off the Board for at least one year.

ARTICLE VIII

Meetings

1. **Annual Forum.**

- a) A meeting of the members of COSTHA shall be held at least once a year and shall be designated the Annual Forum, at such time and place as determined by the Board.
- b) At the Annual Forum, the members of COSTHA shall elect a Board in accordance with the procedures set forth in Article VII, and may transact other such business as may properly be brought before the meeting.

2. **Notice.** A written notice of the Annual Forum, stating the place, day and hour of the meeting, shall be sent to each member by first class mail not less than thirty days before the date of the meeting.

3. **Quorum.** The members present constitute a quorum at the Annual Forum.

ARTICLE IX

Voting

1. **Majority Vote.** With the exception of votes to amend the Bylaws (Article XIV), to approve special assessments (Article IV), and to approve a majority view or position (Article XI), a quorum being present at any meeting properly called and assembled, a majority of those present and voting will prevail on any question.
2. **Procedure and Board Meetings.** Voting on any matter may be conducted during the meeting or by mail, air express, facsimile communication, telephone, or other appropriate means. Votes which are submitted by mail or similar means shall be signed by the Director casting the vote. Votes cast by telephone shall be so signified in the minutes of the meeting and shall be confirmed in writing and signed. No vote proxy will be recognized as an official vote in connection with any matter before the Board when sitting in a full or executive session.
3. **Procedure at Committee Meetings.** Voting on any matter may be conducted during this meeting, or at any other time and in any fashion established by the committee chairman. A vote submitted by mail or similar means shall be signed by the member casting the vote. A vote transmitted by telephone shall be so signified in the minutes of the meeting and shall thereafter be confirmed in writing and signed. Proxies are permitted for committee meetings.
4. **Procedure at Meetings of the General Membership.** Voting by members to elect individuals to the Board shall be conducted in person during the Annual Forum. Voting on any other matter may be conducted in person or by mail.
5. **Procedure for Approval of Submissions to National and International Regulatory Bodies.** Whenever necessary to expedite the submission of a document to a national or international regulatory body, the President shall solicit the views of the Board by any means, e.g., telephone or facsimile, which will accomplish this purpose. Any consensus so achieved shall be reported by the President at all Directors in writing.
6. **Proxies.**
 - a) No proxies may be used by the Board in full session. Whenever the use of proxies for a committee of the Board or the general membership is authorized by these bylaws, by the Board, or by a committee of the Board, the notice soliciting or inviting such proxies shall include a provision requiring that every proxy placed into an envelope marked in accordance with subparagraph b. of this paragraph, that envelope shall be sealed and placed into another envelope and be directed to the Secretary by first class mail or such other means in order that the proxy is received by the Secretary prior to the date on which the meeting occurs. When authorizing the use of a proxy, the committee or Board shall establish the specific date by which proxies may be received and notice of that date shall be provided in the announcement of the proxy. At a minimum, all proxies shall contain the information specified in subparagraph c. of this paragraph. Sealed envelopes shall be delivered to the Secretary unopened. The Secretary shall deliver the unopened envelopes to the meeting for which the proxies are cast in order that they can be tallied once voting commences.
 - b) The words: "CONTENTS-PROXY" shall be marked on the outside of each sealed envelope containing a proxy. Each proxy shall display the following information. The name, purpose of meeting (e.g., Board meeting); the location of the meeting (e.g., Washington, D.C.); the date of the meeting; the name and address of the person authorized to cast the proxy; the name of the person on whose behalf the proxy is cast; and such information as from time to time may be required.
7. **Action by Consent.** Any action required by law, the Articles of Incorporation, or the Bylaws, or any action which may otherwise be taken at a meeting of the Board may be taken without a meeting by using mail; air express, facsimile, telephone, or other appropriate means, if approved by a majority of the Directors entitled to vote with respect to the subject matter of such consent, and the written confirmation by each Director is filed with the Secretary.
8. **Rules and Procedures.**
 - a) The Board may establish such procedures as it deems necessary or desirable for the conduct of COSTHA business.
 - b) Rules or procedures adopted by the Board have the same force and effect as the Bylaws.

ARTICLE X

Nomination and Election of Officers

1. **Designation.** The officers of COSTHA are President, First Vice President, Second Vice President, Treasurer and Secretary. All officers serve without compensation. The Board may delete an existing position or create such other Officer positions as it may deem necessary, and shall specify their duties at that time.

2. **Eligibility.** Only members of the Board of Directors are eligible to serve as officers. Employees of COSTHA are not eligible.
3. **Elections.** All officers shall be nominated by the Nominating Committee and elected by a majority of the Board. Election of officers shall be held at a meeting of the Board held in conjunction with the Annual Forum of the members.
4. **Terms.**
 - a) The term of all officers is two years, or until their respective successors are elected. All terms begin at the close of the Board Meeting at which each is elected.
 - b) The President, First Vice President and Second Vice President may not be from organizations engaged in the same segment of business or commercial activity, as those segments are set forth in Article III (1).
 - c) Elected officers may not serve in the same capacity for more than one successive term.

ARTICLE XI

Formal and Independent Action

Consensus Requirements. Every effort shall be made to accommodate and to reconcile the views of various members on subjects considered by COSTHA, before a formal recommendation is sent to any government agency or other party. If it is not possible to reach a consensus, representations of the majority view or position of COSTHA shall be transmitted, provided that this view or position as approved by at least two-thirds of the Board. All members retain the right to take independent action.

ARTICLE XII

Committees

COSTHA shall have the following standing committees for governance and policy, and the Board may establish other committees as may be required.

1. Executive
2. Finance
3. Nominating

ARTICLE XIII

Operations

1. **Fiscal year.** The fiscal year is the calendar year.
2. **Banking.** All checks, demands for payment, and notes of COSTHA shall be issued in accordance with procedures established by the Finance Committee, as approved by the Board.
3. **Nonprofit operations; compensation.** COSTHA may not have or issue shares of stock. No dividend may be paid, and no part of the income of COSTHA may be distributed to its Directors, Officers, or members except as reimbursement for the out-of-pocket expenses incurred by such person on behalf of COSTHA in the conduct of COSTHA's business.
4. **Loans.** COSTHA may make no personal loans.
5. **Reimbursement for expenses.** The Board may authorize reimbursement of Directors who attend special meetings or make appearances or presentations on behalf of COSTHA.
6. **Conflicts of interest.** Each Director as an affirmative duty to avoid conflicts of interest which may occur during their tenure. The following principles apply to such situations:
 - a) Any duality of financial interest or possible direct or indirect conflict of interest on the part of any Director shall be disclosed by that Director to all other Directors, and shall be made a matter of record in the minutes of any Board meeting.
 - b) Any Director having a duality of interest or possible conflict of interest on any matter may not vote or use his or her personal influence on the matter, and may not be counted in determining the quorum for that portion of the meeting discussing that matter, even where otherwise permitted by law. The minutes of that meeting

shall reflect that a disclosure was made, by whom, the abstention from voting and the quorum present.

- c) The forgoing provisions shall not prevent any Director from expressing his or her position in any matter, or from answering pertinent questions from other Directors, because his or her knowledge of the subject may be of great value to the Board.
- d) Every new Director shall be advised of this policy upon accepting the duties of his or her office.

7. Responsibilities of Directors and employees.

- a) No Director acting in official capacity may receive compensation from COSTHA. Reimbursement of reasonable expenses paid or incurred by a Director on behalf of COSTHA shall not be considered compensation, and may be paid in accordance with paragraph 5 of this Article.
- b) COSTHA may not enter into any agreement with any Director for the receipt of goods, services or facilities provided by that Director or that Director's employer unless the terms of such an agreement are disclosed fully to and accepted by the Board prior to the execution of such agreement. Services rendered to COSTHA prior to disclosure and acceptance of the terms by the Board shall be considered to have been rendered voluntarily by the Director.
- c) All Directors, by virtue of their election to that position, are in a fiduciary relationship to COSTHA and its members and, as such, must act in accordance with the common law, and the laws of the District of Columbia relating to fiduciary duties.
- d) These provisions, where not stated separately or excused, also apply to any employee or contractor of COSTHA.

- 8. Distribution of Assets.** On a dissolution, assets of COSTHA remaining after payment and discharge of all liabilities of COSTHA, the return, transfer or conveyance of assets held on conditions requiring same, and the transfer or conveyance of assets received and held subject to limitations permitting their use only for charitable, eleemosynary, benevolent or purposes similar to those express in Article II, shall be distributed in accordance with a plan adopted by the Board.

ARTICLE XIV

Amendments to the Bylaws

These Bylaws may be amended at any regular or special meeting of the membership, by a two-thirds vote of the members present and voting, provided that the proposed amendment and an explanation therefore have been provided to the membership in writing at least 30 days prior to the meeting. The Bylaws may not be amended nor repealed by the Board alone.

ARTICLE XV

Indemnification and Assumption of Liability of Directors, Officers and Others.

- 1. **General.** The Board is authorized but not obligated to indemnify, reimburse, assume the liability of or otherwise provide for payment of expenses paid or incurred by any present or past Director, Officer, employee, or other individual designated by the Board in connection with services rendered by that individual for COSTHA's use or benefit. This discretionary authority may extend to the member, where that member's liability is based solely upon vicarious responsibility for the acts of its employee who was acting within the scope of his or her duties as a COSTHA Director or Officer. The Board may create a separate fund into which designated contributions from the members or the public may be paid in support of such indemnification, reimbursement, assumption of liability or other payment provided for this Article.
- 2. **Notice.** Any Director, Officer, employee or other individual seeking relief under this Article shall notify the President of COSTHA in writing of any action, suit, proceeding or investigation in which such person may be, or has become eligible for relief under the provisions of this Article. Failure to give such notice shall void any obligations of COSTHA, unless such failure resulted in no harm to COSTHA.
- 3. **Insurance.** COSTHA may purchase and maintain insurance on behalf of COSTHA in order to accommodate any claims from any person or organization authorized by the Board to receive relief under this Article.

ARTICLE XVI

Rules of Order

To the extent not covered by the Articles of Incorporation, these Bylaws, or other prior resolutions of the Board, or unless otherwise waived during meetings, all proceedings shall be governed by Robert's Rules of Order.

ARTICLE XVII

Corporate Seal

The Seal of COSTHA shall be in such form as the Board shall determine. In the event it is inconvenient to use such Seal at any time, the signature of COSTHA following the word "Seal" in parentheses shall be deemed the Seal of COSTHA. The Seal shall be in the custody of the Secretary, and shall be affixed by the Secretary on such papers as may be directed by law, these Bylaws, or by direction of the Board.

These Bylaws were adopted by a vote of the membership on April 8, 1997.
