



**GAS INDUSTRY STANDARDS BOARD
BYLAWS ADDENDUM**

SERVICE SEGMENT PROCEDURES

August 18 , 1997

1.0 MEMBERSHIP REQUIREMENTS

1.1 The Services Segment of the natural gas industry is comprised of those parties engaging in (a) gathering (b) processing, (c) marketing, (d) gas storage and, (e) information services. Any entity which is actively engaged in any of the above-listed activities which wants to join GISB may join as a Services Segment member.

1.2 GISB Services Segment members become members by submitting their company name, contact name, qualifying business activities, and a statement of intent to join to the Executive Director of GISB. GISB Services Segment members become voting members of the GISB by paying and maintaining on a current basis then GISB membership dues, and by executing the revocable proxy required by the GISB incorporation documents.

2.0 PROCESS FOR ELECTING DIRECTORS AND EXECUTIVE COMMITTEE MEMBERS

2.1 Nominations

Each voting GISB Service Segment organization may submit up to five (5) nominations to fill the positions on the Board of Directors and five (5) nominations to fill the positions on the Executive Committee (for a total of ten (10)).

Each nominee should be qualified to represent members who are participating in one or more of the activities that comprise the Services Segment *i.e.* marketers, gatherers, processors, storage operators, and information associated services. To qualify, a nominee should have (a) authorization from his or her organization to serve in the position and (b) decision-making authority commensurate with the position's responsibilities.

Nominations shall be sent to the Services Segment's Nominating committee. The Nominating committee will confirm each nominee's qualifications and willingness to serve. The ballot will contain the names of all qualified nominees, identified by the subsegments.



If a business activity of the Services Segment is not represented among the nominations, the Nominating committee will endeavor to solicit a qualified nominee involved in that activity, to be included in the ballot.

2.2. Voting

Voting will be a one-step process. Each GISB voting member organization will be entitled to one ballot.

Each organization will have the same number of votes for members of the Board of Directors and for members of the Executive Committee (for a total of up to ten (10) votes) as there are vacancies. All voting will be at-large. There will be no cumulative voting.

The nominee(s) who receive the highest number of votes for vacancies on the Board of Directors and the Executive committee, respectively, will serve for terms as determined by the GISB Board of Directors and the Executive Committee members. The next three (3) nominees to the Executive Committee who receive the highest number of votes, after filling the vacancies above, will serve as alternates. The Board of Directors will have no alternates. At any given time, a business activities of the Services Segment may be represented more than once on the Board of Directors or the Executive committee, or both. However, no organization may have more than one (1) representative among the Services Segment position on the Board of Directors and Executive Committee at the same time.

3.0 **PROCEDURES FOR REMOVAL VACANCY, RESIGNATION OF SEGMENT DIRECTORS AND EXECUTIVE COMMITTEE MEMBERS**

Replacement of Board of Directors or Executive Committee members for partial term of office due to resignation or removal of current position holder.

3.1 Board of Directors

If a member resigns from a position on the Board of Directors, such member's resignation shall be effective upon the later of the date the Executive Director of GISB receives the written notice of resignation or the effective date of the resignation set forth in the written notice.

If a member of the Board of Directors dies, resigns, is terminated or transfers to another organization not included in the Services Segment, such member's change in status shall be automatic resignation and effective upon the date of such change.

If an individual member of the Board of Directors transfers to another organization included in the Services Segment, such individual member shall be entitled



to remain a member of the Board of Directors; provided the new organization is a voting member of GISB.

A replacement for the member resigning as set forth above shall be selected by the same procedures as outlined earlier. That is, a nominating committee shall be formed, nominees solicited from Services Segment organizations, nominees qualified by the nominating committee and ballots distributed to GISB Service Segment member organizations. Each member organization shall have one (1) vote and the nominee receiving the most votes shall be elected to complete the then current term. Such person shall be employed by an organization that is part of the Services Segment and shall otherwise meet the qualification set forth in Section 2.A, above. The term of such person shall be the remainder of the term of the replaced member of the Board of Directors.

3.2 Executive Committee

If a member resigns from a position on the Executive Committee, such member's resignation shall be effective upon the later of the date the Executive Director of GISB receives the written notice of resignation or the effective date of the resignation set forth in the written notice.

If a member of the Executive Committee dies, retires, resigns, is terminated or is transferred to another organization not included in the Services Segment, such member's change in status shall be an automatic resignation and effective upon the date of such change.

If an individual member of the Executive Committee transfers to another organization included in the Services Segment, such individual member shall be entitled to remain a member of the Executive committee; provided the new organization is a voting member of GISB.

A replacement for the member resigning as set forth above shall be selected by the same procedures as outlined earlier. That is, a nominating committee shall be formed, nominees solicited from Service Segment organizations, nominees qualified by the nominations committee and ballots distributed to GISB Service Segment members. Each member organization shall have one (1) vote and the nominee receiving the most votes shall be elected to complete the then current term. Such person shall be employed by an organization that is part of the Services Segment and shall have a position similar to other members of the Executive Committee. The term of the such person shall be the remainder of the term of the replaced member of the Executive Committee.



4.0 **SELECTION OF DESIGNATED ALTERNATES AND PROCESSES FOR THEIR ASSUMPTIONS OF EXECUTIVE COMMITTEE MEMBER DUTIES**

4.1 Following each election within the Services Segment to fill an EC seat, the three highest vote getters not winning a seat will be eligible to become a Services Segment EC Alternate. In the event there are less than three runners-up to any election, the individuals eligible to be Services Segment EC Alternates shall be selected from among the runner(s)-up from the just completed election and those individuals serving as EC alternates at the time of the just completed election; whereupon, the Services Segment EC Alternates shall be the three individuals from this combined group whose vote tallies are the highest from the most recent election in which they ran for an EC seat and were a runner-up. In the event of a tie for the position of runner-up, the persons whose vote totals (from the most recent election in which they ran) are tied shall have their names placed in a box and the Executive Director of GISB shall, in the presence of at least two Services Segment EC members, draw names from the box until the three EC Alternate positions are filled.

4.2 An EC Alternate may resign at any time. The resignation of an EC Alternate shall result in an open position until the time of the next election.

4.3 The Segment shall maintain the list of three EC Alternates and shall inform the GISB Office from time to time of the identities of the eligible individuals. Following any election and at least five days in advance of the next scheduled EC Meeting, the list of eligible EC Alternates (including any revisions due to new elections or resignations), shall be forwarded to the GISB Office.

4.4 An EC Member not attending an EC Meeting (excluding by resignation) and not submitting a notational ballot to the GISB Office shall identify to GISB and to their designated EC Alternate (in writing or facsimile) the specific Alternate they designate to sit and vote as an EC Member of the Services Segment at the identified EC Meeting. Failure of an absent EC Member not submitting a notational ballot to so identify a specific EC Alternate shall mean that those Services Segment EC Members attending the subject EC Meeting may choose (an) individual(s) from among the eligible Services Segment EC Alternates in attendance to sit and vote as (an) EC Member(s) of the Services Segment during the subject EC Meeting.

4.5 Failure of an EC Member to attend an EC Meeting by means of that EC Member's resignation shall create a vacancy which may be filled during an EC Meeting by an Alternate pursuant to the procedures in this paragraph 4.5 until an election has occurred. A vacant position on the EC shall be filled as soon possible under the Services Segment election procedures set forth from time to time. In the event resignation has occurred, and, there has not been sufficient time to hold an election for the vacant position; and, a



scheduled EC Meeting is in session; then those Services Segment EC Members attending the subject EC Meeting may choose (an) individual(s) from among the eligible Services Segment EC Alternates in attendance to sit and vote as (an) EC Members(s) of the Services Segment during the subject EC Meeting.

5.0 **PROCEDURES FOR AMENDING THESE SEGMENT PROCEDURES**

The Services Segment has no established process for amending these segment specific procedures but contemplates that changes, if deemed necessary, would be initiated by the segment's Board of Director members. The Service Segment will promptly advise GISB of any change to these procedures.

6.0 **COMMUNICATION PROCESSES FOR MEETING NOTICES**

The Services Segment intends to rely upon GISB's own communication procedures for the distribution of meeting notices. The Service Segment believes GISB's proposed use of an electronic bulletin board, regular newsletter, and adherence to standard notice procedures including distribution of notices to all interested parties will be sufficient to advise Service Segment member organizations of GISB activities.