

BYLAWS OF THE
CHINA HONG KONG SOCIETY FOR TRENCHLESS TECHNOLOGY

ARTICLE I – NAME AND LOCATION

The name of this organisation shall be the China Hong Kong Society for Trenchless Technology (中國香港非開挖技術協會) (hereinafter the "Society"), a not-for-profit organisation. The Society shall have and continuously maintain a registered office in Hong Kong and a registered agent whose office is identical with such registered office, and may have such other offices as the Board of Directors from time to time determine.

ARTICLE II – PURPOSES, DEFINITION AND OBJECTIVES

SECTION 1. PURPOSES. The purposes of this Society shall be to advance the science and practice of Trenchless Technology (hereinafter the "Technology") for the public benefit, to promote and conduct education, training, study and research in said science and practice for the public benefit, and to make available information thereof to all interested and concerned parties.

SECTION 2. DEFINITION. Technology as used herein means that technology for the servicing, renovation and replacement of existing, and the construction of new, public utilities and other services underground without the digging of trenches, including the development of sensing and mapping techniques for underground guidance, tunneling devices and specialized machinery, materials and equipment.

SECTION 3. OBJECTIVES. The objectives for achieving the purposes of the Society are:

- 3.1 To provide forums for the exchange of information on the Technology, and to educate the public, industry and government on its societal benefits.
- 3.2 To establish and promote guidelines and standards for acceptable economic and safe application of the Technology in the public's interest.
- 3.3 To provide educational and training programs for all persons interested in the Technology.
- 3.4 To promote the highest professional competence and ethics among those persons engaged in the practice of the Technology.
- 3.5 To preserve and maintain a library of Technology information and publications which shall be available for industry, government and public benefit.
- 3.6 To associate, cooperate or affiliate with other organizations, in China and worldwide, that have similar purpose or objectives altogether, or in part, on the usefulness of the Technology and its societal benefits.
- 3.7 To accept contributions, grants and funding, private or governmental, restricted or non-restricted to conduct or direct research and studies on the advantages and application of the Technology, and the results of which shall be published and available to all interested persons.
- 3.8 To engage in any other purposes and objectives and lawful activity of a not-for-profit corporation, all of which shall be in compliance with governmental laws, rules and regulations as related to the above purposes and objectives.

ARTICLE III – MEMBERSHIP

SECTION 1. MEMBERSHIP. Membership in the Society shall be available to all individuals and to all private, trade, professional, and labor organizations, public regulatory agencies, consumer and

environmental groups, governmental agencies, public utilities and contractors, or any other organization professing an interest in the Technology.

SECTION 2. MEMBERSHIP DUES AND ADMISSION. Fees for such membership shall be established from time to time by the Board of Directors. Admission shall be upon payment of fees, or by special authorization of the Board of Directors.

SECTION 3. REMOVAL AND RESIGNATION. Membership in the Society may be terminated for cause. Sufficient cause for such termination shall be a violation of the Bylaws or any rule, canon or practice of the Society. Such termination shall be by two-thirds vote of the Board of Directors, provided, however, that a statement of the charges shall have been mailed by certified mail to the last recorded address of the member at least fifteen (15) days before final action is to be taken. This statement shall be accompanied by a notice of the day, time and place of the Board of Directors meeting at which the charges shall be considered, and the members shall have the opportunity to appear in person and/or to be represented by counsel and present any defense to such charges before action is taken by the Board.

In addition, membership shall be terminated for any member delinquent for a period of 90 days or more in dues payment. A member may resign at any time upon thirty days written notice, and no annual dues refunds shall be given. Any reinstatement of membership shall not be made unless all debts to the Society have been paid.

SECTION 4. CLASSES OF MEMBERSHIP. Membership in the Society shall be in five classes as follows:

- 4.1 Founding. An honorary membership classification given to those Corporate Members who joined on or before 31 December 1999 to lend additional financial support to the founding and initial operations of the Society. Founding organizations may designate up to two individuals to represent their organization. Each founding Member shall have one vote to be cast by the designated prime representative.
- 4.2 Corporate. An organization membership allowing up to two individuals to represent the organization. Each Corporate Member shall have one vote to be cast by the designated prime representative.
- 4.3 Governmental/Educational Institutions. Federal, state or local government agencies and educational institutions that have interests in the technology. Such agencies and institutions will be granted the same benefits as Corporate Members and will be allowed to name one voting and four non-voting representatives to the Society.
- 4.4 Individual. An individual membership available to all persons interested in the Technology or concerned with the environment. Each Individual Member shall have one vote.
- 4.5 Student. An individual who is (1) a full time student currently enrolled in a full time program of an accredited educational institution, or (2) enrolled in a recognized apprenticeship program. The curriculum or apprenticeship must have a reasonable relationship to the Technology. A Student Member may not vote or hold office in the Society.

ARTICLE IV – DUES AND ASSESSMENTS

The initial and annual dues for each class of member of the Society, the time for paying such dues, and other assessments, if any, shall be determined from time to time by the Board of Directors.

ARTICLE V – MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING. An Annual Meeting of the general membership of the Society shall be held each calendar year, the date and place thereof to be fixed by the Board of Directors, and noticed to all members by the Secretary of the Society.

SECTION 2. ANNUAL MEETING SUBSTITUTE. The Board of Directors, by a majority vote of all its members, at either a meeting or by letter ballot, may declare that by reason, rule or cause it is not in the interest of the Society to hold the Annual Meeting. In such event no such meeting shall be required to be held under these Bylaws and the Board shall fix a date by which the members of the Society shall vote by letter ballot on any matters which may be acted upon by the members at the Annual Meeting. The voting period shall be thirty days ending on the date fixed as above for voting by letter ballot and such date shall be deemed to be the date of the Annual Meeting within the meaning of these Bylaws.

SECTION 3. SPECIAL MEETINGS. Special meetings of the general membership of the Society may be called by the Chairman or the Board of Directors.

SECTION 4. NOTICE OF MEETINGS. Written or printed notice stating the place, day and hour of any meeting of the general membership shall be delivered in writing to each member entitled to vote not less than twenty (20) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In case of a special meeting, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the Hong Kong mail addressed to the member at its address as it appears on the records of the Society, with postage therein prepaid.

SECTION 5. QUORUM. The presence of at least 10% of the membership, or fifty (50) members entitled to vote, whichever is greater shall constitute a quorum of a meeting of members; but if a lesser number are present they may adjourn the meeting without further notice.

ARTICLE VI – BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. The management and affairs of the Society shall be vested in the Board of Directors, which shall have supervision, control and direction of the affairs of the Society, shall determine its policies or changes therein within the limits of these Bylaws, shall actively promote its purposes and shall have discretion in the disbursement of its funds. The Board may adopt such rules and regulations for the conduct of its business as shall be deemed advisable and may, in the execution of the powers granted, appoint such agents as it may consider necessary.

SECTION 2. NUMBER, TERM OF OFFICE AND QUALIFICATIONS. The number, term of office and qualifications for Directors shall be as follows:

- 2.1 Number. There shall be a Board of a minimum of five (5) and a maximum of fifteen (15) Directors who shall be elected by the members of the Society as specified by the election process described in this Article. Any proposal to change the numbers of Directors on the Board must be circulated to the Board members at least thirty (30) days in advance of a meeting of the Board. The Founding Directors will remain on the Board indefinitely in a non-voting, advisory capacity. If a Director serves as Chairman during the last year of his/her term, the Director will remain on the Board one more year in advisory capacity.
- 2.2 Term of Office. Up to five (5) Directors shall be elected each year to a three-year term. Each term of office shall conform to the calendar year. A Director may serve a maximum of six (6) consecutive years, if elected to two (2) each three-year terms, and after an absence of at least one year, may serve an additional six years, consecutively or intermittently.
- 2.3 Qualifications. Directors shall be individual members or the voting representative of a Charter, Sustaining, Governmental/Educational Institution or Individual Member. A Director not in good standing as a member of the Society shall automatically be removed as a Director. Directors are expected to attend meetings of the Board of Directors. Any Director missing three (3) consecutive meetings shall automatically be removed as a Director unless such absences are excused by the Board. In order to maintain the broad societal purpose of the Society, there shall be at least one Director

from each of the following areas of activity: utility company, consultants, professional engineers, contractors, government, manufacturers, suppliers, and education. The nominating committee shall select nominees such that the activity representation is maintained. No single activity shall be represented on the Board by more than three (3) Directors at any one time.

SECTION 3. NOMINATIONS. At least one (1) month before the date of election by letter ballot, the Chairman of the Board of Directors shall appoint a Nominating Committee to nominate individuals for membership on the Board of Directors to be elected by such letter ballot. The Nominating Committee shall consist of three (3) members of the Society, one (1) of which shall be members of the Board of Directors. It shall be the duty of the Nominating Committee to so make their choice that, in the event nominees are elected, the broad societal purposes prescribed in Section 2.3 above, will be preserved. Additional members may be nominated for Board membership by write-in on a nominations letter ballot.

SECTION 4. ELECTION. Up to five (5) Directors shall be elected annually as described herein and such additional elective vacancies existing on the Board at the time of the election by letter ballot. Ballots shall be delivered in writing to members no later than December. The nominees receiving the largest number of votes shall be elected. Newly elected Directors shall assume office in January following election.

SECTION 5. VACANCIES. Whenever a vacancy shall occur in those elected, or appointed, members of the Board, the remaining Directors may, by the affirmative vote of a majority of the remaining directors, elect a Director to fill such vacancy. Any Director, so elected, shall serve for the unexpired term of his predecessor.

SECTION 6. REMOVAL OF DIRECTORS. A director may be removed from the Board of Directors upon the vote of two-thirds (2/3) of the members entitled to vote for said director(s).

SECTION 7. MEETINGS AND QUORUM. The Board of Directors shall hold at least two (2) regular meetings per year, one of which shall be held in conjunction with the Annual Meeting of the Society. Special meetings may be called at any time by the Chairman of the Board, or by any two (2) Officers upon at least three days' notice. At each meeting of the Board of Directors, a majority of the Directors shall constitute a quorum; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting without further notice.

SECTION 8. MANNER OF ACTING. The act of a majority of the Directors presented at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater act is required by law or by these Bylaws.

SECTION 9. REIMBURSEMENT. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, reimbursement of expenses may be allowed for attendance at such regular or special meetings of the Board in a manner and for specific Directors as the Board may determine from time to time.

ARTICLE VII – OFFICERS

SECTION 1. OFFICERS. The Officers of the Society shall be the Chairman, Vice Chairman, International Representative, Secretary and Treasurer and such other officers as may be elected in accordance with the provisions of this Article. The Board of the Directors may elect or appoint such other officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of Chairman and Secretary.

SECTION 2. ELECTION AND TERM OF OFFICE. Only elected Directors are qualified to serve as officers of the Society. Officers shall be elected by the Board of Directors, either at a Board meeting, by letter ballot or by teleconference, the timing being such that the results of the voting shall be determined in January in which the officers are to serve. Officers shall serve for a term of one year and until their successors shall be duly elected, unless they resign, are removed, or are otherwise unable to fulfill their term. Each officer shall serve one term, with the exception of the International

Representative. There shall be no limit to the number of terms the International Representative may serve. Upon expiration of his/her term, the Vice Chair shall automatically succeed to the office of Chair.

SECTION 3. REMOVAL. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors when in its judgment the best interests of the Society would be served. Such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

SECTION 4. VACANCIES. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. CHAIR. The Chair shall be the principal executive officer of the Society and shall in general supervise and control all of the business affairs of the Society. He/she shall preside at all meetings of the members and of the Board of Directors. The Chair may sign, with the Secretary or any other proper officer of the Society authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by The Board of Directors or by these Bylaws or by statute to some other officer or agent of the Society; and in general he/she shall perform all duties incident to the Office of Chair and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. VICE CHAIR. In the absence of the Chair or in the event of his/her inability or refusal to act, the Vice Chair, or in the event there be more than one Vice Chair, Vice Chairs in the order of their election, shall perform the duties of Chair and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. Any Vice Chair shall perform such other duties as from time to time may be assigned to him/her by the Chair or by the Board of Directors.

SECTION 7. TREASURER. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine. He/she shall have charge and custody of and be responsible for all funds and securities of the Society, receive and give receipts for monies due and payable to the Society from any source whatsoever, and deposit all such monies in the name of the Society in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the Chair or by the Board of Directors. The duties of the Treasurer may be assigned by the Board of Directors, in whole or in part, to the Chief Staff Officer.

SECTION 8. SECRETARY. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the Society's records; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Chair or the Board of Directors. The duties of the Secretary may be assigned by the Board of Directors, in whole or in part, to the Chief Staff Officer.

SECTION 9. INTERNATIONAL REPRESENTATIVE. The International Representative shall be elected by the CHKSTT Board to represent CHKSTT on the ISTT Board of Directors. The International Representative shall serve as liaison between the two societies and shall endeavour to act in the best interests of both CHKSTT and ISTT.

SECTION 10. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant treasurers and assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the Chairman or the Board of Directors.

SECTION 11. Executive Secretary. The ministerial, administrative and day-to-day operations of the Association shall be in a salaried staff head, appointed by the Board of Directors. The Executive

Secretary shall be responsible to the Board of Directors. Such a person and/or firm may have the title of Executive Director or such other title as the Board of Directors shall from time to time designate, and the Executive Secretary may act as and carry out the duties of the Secretary and Treasurer of the Association. The Executive Secretary shall employ and may terminate the employment of employees of the staff necessary to carry out the work of the Association and shall perform such other duties as may be specified by the Board of Directors. The Executive Secretary shall be an ex-officio member of the Board of Directors, but without the right to vote.

ARTICLE VIII – COMMITTEES

SECTION 1. COMMITTEES OF DIRECTORS. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate an Executive Committee or other committees, each of which shall consist of one or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Association.

SECTION 2. OTHER COMMITTEES. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the Society, and the Chairman of the Board of the Society shall appoint the members thereof or delegate their appointments to the Committee Chairman. Any member thereof may be removed by the person or persons to appoint such members whenever in their judgment the best interest of the Society shall be served by such removal. A membership list for each committee, subcommittee or working group, with addresses and telephone numbers, shall be maintained and made available to any member of the Society upon request.

SECTION 3. TERM OF OFFICE. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

SECTION 4. CHAIR. One member of each committee shall be appointed Chair by the Chair of the Board.

SECTION 5. VACANCIES. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 6. QUORUM. Unless otherwise provided in the resolution of the Board of Directors designating other committees, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting shall be the act of the committee.

SECTION 7. RULES. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

ARTICLE IX – CONTRACTS, CHECKS, DEPOSITS AND BONDING

SECTION 1. CONTRACTS. The board of Directors may authorize any officer or officers, agent or agents of the Society, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Society and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Society shall be signed by such officer or officers, agent or agents of the Society and in such manner as shall be determined from time to time by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Vice Chair and countersigned by the Chair of the Society.

SECTION 3. DEPOSITS. All funds of the Society shall be deposited from time to time to the credit of the Society in such banks; trust companies or their depositories as the Board of Directors may select.

SECTION 4. BONDING. The Board of Directors shall provide for the bonding of such officers and employees of the Society as it may from time to time determine.

ARTICLE X – BOOKS AND RECORDS

The Society shall keep correct and complete books and records of account and also shall keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors. The fiscal year of the Society shall be determined from time to time by the Board of Directors.

ARTICLE XI – WAIVER OF NOTICE

Whenever any notice whatsoever is required to be given under the provisions of the General Not For Profit Corporation Act of the state of Illinois or under the provisions of the Articles of Incorporation or Bylaws of the Society, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII – INDEMNIFICATION

The Society shall provide for the indemnification of all directors, officers, committee members, employees and agents of the Society. The Society shall be entitled to purchase insurance for such indemnification to the full extent as determined from time to time by the Board of Directors.

ARTICLE XIII – OTHER PROVISIONS

SECTION 1. INUREMENT OF INCOME. No part of the net earnings of the corporation shall inure to the benefit of, or be distributed to, its members, directors, officers or other private persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered.

SECTION 2. LEGISLATIVE OR POLITICAL ACTIVITIES. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation and the corporation shall not participate in or intervene with (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

SECTION 3. DISSOLUTION CLAUSE. Upon the dissolution of the Society, the Board of Directors shall, after paying or making provisions for the payment of all the liabilities of the Society, dispose of all the assets of the Society exclusively for educational purposes.

ARTICLE XIV – AMENDMENTS

SECTION 1. AMENDMENTS. These Bylaws may be amended by a majority vote of those members present at a meeting of the Society, providing a quorum of the members are present, or by two-thirds majority of the Board of Directors. In each case at least 30 days written notice of the proposed change or changes must be given.

February 13, 2003
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