

## **CDS Policies Regarding Membership Qualifications and Other Procedural Matters**

1. Membership Qualifications: Membership in the CDS, as already indicated, is by invitation of the CDS staff (including directors and associate directors at all university sites). In this matter, it is our policy to accept any company (or national laboratory) meeting the following criteria.

Any corporation, or division, or subsidiary of a corporation, which manufactures finished dielectrics for use in products which it manufactures, or manufactures equipment and/or materials for use by the dielectric industry, or has interest in these areas and which has its principal place of manufacture located in the United States or within the area designated as the NAFTA Free Trade Zone, shall be eligible to be a Member of the CDS.

Any corporation, or division, or subsidiary of a corporation, which manufactures dielectrics, purchases dielectrics for use in products which it manufactures, or manufactures equipment and/or materials for use by the dielectric industry, or has interest in these areas and which has its place of manufacture located outside of the United States or outside the area designated as the NAFTA Free Trade Zone, shall be eligible to be a Member of the CDS if access to similar cooperative efforts is undertaken in the country of its principle place of manufacture is freely granted to Members from the United States and NAFTA. Furthermore, a potential company in this category interested in the CDS must also be voted upon by the Industrial Advisory Board (IAB) prior to an invitation to membership being extended.

2. Membership Privileges and Benefits: The purpose and goals of the CDS and the privileges and benefits to Members are described in available materials. All CDS members have equal rights to license any inventions found by the CDS.
3. Revocation of Membership: There are circumstances in which it may be necessary to revoke a Member's agreement with the CDS. The decision on revocation would be made by the staff of the CDS. Possible causes for revocation would be:
  - a) Transfer of privileged information gained as a Member in the CDS to non-Member companies or National Laboratories.
  - b) Change of company ownership so that the membership qualifications as described in Section (1) are not met.
  - c) Conduct deemed contrary to the best interests of the CDS.
4. Industrial Advisory Board Voting Procedures: On matters requiring the approval of the IAB, the following voting procedure should be employed:
  - a) Quorum – At any meeting where 50% of the industrial membership is represented, a vote may be taken, whereupon each member will have one vote, and polling may be done by any convenient method. For votes with two possible outcomes, a simple majority (>50%) will be required. For votes with 3 or more possible outcomes, the choice gaining the greatest number of votes will be carried. The IAB chair and the directors will be

notified of the results upon completion of the vote. New project selection voting is excluded from these restrictions.

- b) At meetings where a quorum is not obtained, a vote can be carried out after the meeting by email. CDS staff members will be responsible for composing a ballot and tabulating the results. Outcome will be evaluated as above. Again, the IAB chair and the directors will be notified of the results upon completion of the vote.

- 5. Center Expenditures: Since the CDS is funded by several sources, there is no comprehensive financial statement available to Members. It is possible for any member on request to see copies of the University-prepared expenditure summary sheets related to the Membership funding.

- 6. Cost of Membership:

Full Membership (more than \$10M/annual sales) — \$30,000/year  
Associate Membership (less than \$10M/annual sales) — \$8,500/year

- 7. Member Operational Suggestions – In the course of CDS operation, concerns may develop over the direction of research and the operation of the CDS by its staff. In the interests of preserving the direction and operation and, ultimately, the Membership of the CDS, the following formal mechanisms are provided for feedback to the staff and, if necessary, to the University bodies overseeing the CDS.

- A. At each IAB meeting, an “IAB Caucus” period will be held, during which the status of the CDS will be assessed by the member companies in the absence of the CDS staff. Following the caucus, the comments will be conveyed verbally to the Directors at the university locations and will be entered into the minutes of the IAB meeting.
- B. If concerns documented in the IAB Caucus are not addressed in a timely fashion, a simple majority of the member companies may request that the IAB chairman make these concerns known to the University bodies overseeing CDS operations. These include the Director of the Materials Research Institute at Penn State University and the Vice Provost for Research at University of Missouri at Rolla. Concerns may also be addressed to the NSF Evaluator. The IAB chairman will then draft a letter to the appropriate bodies voicing their concerns, including documentation from previous meetings.