

Bylaws

of the

Council for Responsible Nutrition

Revised July 2021

ARTICLE I – The Council for Responsible Nutrition

Section 1.01. The principal office of the Council for Responsible Nutrition (the “Council”) shall be in the District of Columbia. The Council may have such other offices either within or without the District of Columbia as the Board of Directors may from time to time determine or as the business of the Council may require.

Section 1.02. Purpose.

The Council is organized and operated as a trade association to promote the common interests of its members relating to dietary ingredients and dietary supplements, as those terms are defined in Section 201(ff) of the Federal Food, Drug, and Cosmetic Act, and related nutritional food products, including functional foods as defined in Section 2.01 of these Bylaws.

Section 1.03. Powers.

Subject to any limitations set forth in the Articles of Incorporation or these Bylaws, the Council shall have the powers granted under the District of Columbia Nonprofit Corporation Act, as it may from time to time be amended.

Section 1.04. Activities.

Subject to any limitations set forth in the Articles of Incorporation or these Bylaws (including without limitation Section 1.05 below), the Council may engage in any lawful activity in furtherance of the purpose set forth in Section 1.02.

Section 1.05. Prohibited Activities.

The Council shall not:

- (a) Be conducted or conduct itself for profit.
- (b) Engage in a regular business of the kind ordinarily carried on for profit.
- (c) Permit any part of the net earnings of the Council to inure to the benefit of or be distributed or distributable to its members, directors, officers, or other private persons, provided that nothing herein shall preclude the Council from paying reasonable compensation for services rendered and making payments and distributions in furtherance of the purpose set forth in Section 1.02.
- (d) Exercise any power or engage in any activity that would cause the Council to lose its federal income tax exemption under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States internal revenue law).
- (e) In the event of dissolution or final liquidation of the Council, permit its assets, after payment or provision for payment of all liabilities of the Council, to be applied or distributed otherwise than as follows:
 - (1) Assets, if any, held by the Council upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements.
 - (2) Remaining assets, if any, may be transferred or conveyed in whole or in part to any successor organization, or any organization having purposes substantially similar to those of the Council.
 - (3) The balance, if any, of the assets shall be distributed to one or more charitable, educational, scientific, or philanthropic organizations exempt from federal income taxation under Section 501(c) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States internal revenue law), to be selected by the Board of Directors.

ARTICLE II - Membership

Section 2.01. Membership.

A person (which shall include a corporation, a partnership, or any other organization) who is actively engaged in the manufacture or distribution of a dietary ingredient or a dietary supplement, or of a functional food, and a person who supplies products, services, or other support to such person, or who supports the purpose of the Council set forth in Section 1.02, shall be eligible for election as a member of the Council. For purposes of this section, a dietary supplement shall be defined as that term is defined in U.S. Food, Drug & Cosmetic Act (21 U.S.C. 321(ff)). A functional food shall be defined as any product properly labeled as a food under the federal Food, Drug, & Cosmetic Act that is formulated specifically to increase the intake of nutrients or other compounds and for which the manufacturer makes structure/function or health claims in its labeling. To be eligible for membership, applicants must be in compliance with the provisions of Section 2.04 of these Bylaws related to member conduct.

Section 2.02. Classes of Members. There shall be three classes of members:

- (a) **Voting Member.** A person who manufactures a dietary supplement, a functional food or an ingredient intended for one of these products, or who markets or distributes a dietary supplement or functional food under its own brand or label, or who facilitates the sale of these products, shall be eligible for membership in the Council as a voting member. Voting members shall be divided into two categories:
 - (1) **Finished Product Members.** There shall be two subcategories:
 - (a) **Branded Product Members.** A member who manufactures or markets a dietary supplement or functional food, under its own brand or label.
 - (b) **Contract Manufacturer Members.** A member who manufactures finished dietary supplements or functional foods on behalf of, or for resale to, another business for sale under another brand or label.
 - (2) **Ingredient Members.** There shall be two subcategories:
 - (a) **Ingredient Manufacturers/Formulators.** A member who manufactures an ingredient (including excipients, flavorings or colorants) for use in a dietary supplement, or a nutritional ingredient for use in a functional food. For purposes of this section, a “nutritional ingredient” shall mean a dietary ingredient as that term is defined in the U.S. Food, Drug & Cosmetic Act (21 U.S.C. 321(ff)). “Manufactures” shall include harvesting, processing or substantially altering the ingredient or holding unique patents or other intellectual property to prepare the ingredient for inclusion in a dietary supplement or for inclusion of a nutritional ingredient in a functional food product.
 - (b) **Ingredient Distributor and Representative Member.** A member who sells or facilitates the sale of ingredients intended for inclusion in a dietary supplement or of nutritional ingredients for inclusion in a functional food, but does not manufacture, harvest, process or otherwise substantially alter the composition of such ingredients. This class of membership is generally limited to firms that do not hold a patent or other intellectual property in the ingredient and do not market the ingredient under their own unique brand.
- (b) **Associate Member.** A person who is eligible for membership in the Council and is not actively engaged in the manufacture of an ingredient, a dietary supplement or a functional food but who provides products, services, or other support to voting members, or who supports the purpose of the Council set forth in Section 1.02, shall be eligible to join the Council as an associate member.
- (c) **International Member.** A person who is otherwise eligible for membership in the Council but does business exclusively outside the United States shall be eligible

to join the Council as an international member. A foreign affiliate of a person eligible to be a voting member shall be eligible for international membership only if the person eligible for voting membership is in fact a voting member.

Section 2.03. Election of Members.

Members of the Council shall be elected by majority vote of the Board of Directors or of the Executive Committee.

Section 2.04. Member Disciplinary Action.

- (a) Causes for Discipline. The occurrence of any of the following events may constitute grounds for censure, suspension, or expulsion from membership:
- (1) failure to pay membership dues;
 - (2) occurrence of any event that renders a member ineligible for membership, or failure to satisfy membership qualifications;
 - (3) conduct materially prejudicial to the welfare, principles, or purposes of the Council; or
 - (4) any other material and significant good cause.
- (b) Procedures for Discipline. Upon the occurrence of any of the events described in paragraph (a) of this Section, the CRN Board of Directors may initiate proceedings for discipline based on the severity of the member's conduct. The affected member must be provided with advance written notice of the proposed discipline, including the reason for the proposed discipline. The notice shall also specify the date on which the Board of Directors proposes to take such action. The notice shall further advise the member of his/her opportunity to contest the action in writing or in person before the Board of Directors prior to the proposed disciplinary action going into effect. The final decision by the Board shall be provided in writing to the member and shall be final and binding.
- (c) Discipline.
- (1) Censure. A member may be issued a written censure by the Board of Directors for any conduct specified in this Section. Such censure must be approved by a majority vote of Directors at any duly constituted regular or special meeting of the Board of Directors.
 - (2) Suspension. A member may be suspended from membership for such time as the Board of Directors may determine for conduct specified in this Section. Such suspension must be approved by a majority vote of Directors at any duly constituted regular or special meeting of the Board of Directors.
 - (3) Expulsion. A member may be permanently expelled from membership for such egregious conduct as specified in this Section. Such removal must be approved by a two-thirds (2/3) vote of Directors at any duly constituted regular or special meeting of the Board of Directors.

Section 2.05. Resignation of Members.

A member of the Council may resign by giving notice in writing to the Council. A member shall be liable for dues and assessments for the full calendar year during which the member gives a notice of resignation.

ARTICLE III – Meetings of the Council

Section 3.01. Meetings.

Annual and special meetings of the members of the Council shall be at such places, within or without the District of Columbia, as the Board of Directors shall determine.

Section 3.02. Annual Meeting.

There shall be an Annual Meeting of the members of the Council at a date to be determined by the Board of Directors.

Section 3.03. Special Meetings.

Special meetings of the members of the Council may be called by the Chair or the Secretary, and shall be called by one of them upon the written request of two-thirds or more of the members or ten or more Directors.

Section 3.04. Notice or Waiver of Notice.

Notice of each meeting of the members of the Council, whether annual or special, shall be given to each member by letter or electronic means, charges prepaid, addressed to the member's address as it appears in the records of the Council and, in the case of a special meeting, shall state the purpose or purposes for which the meeting is called. The notice shall be given not less than ten days and not more than ninety days before the date on which the meeting is to be held. Attendance by any member, in person, by proxy, or by telephone, at any meeting shall constitute a waiver by it of notice of such meeting unless it signifies at the beginning of such meeting that such attendance is for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. A written waiver of notice of any meeting signed by a member entitled to such notice, whether before or after the date stated therein, shall be deemed equivalent to giving of such notice to such member. A meeting may be adjourned to be continued at another time by a majority of the votes of voting members present, and unless otherwise required by law, it shall not be necessary to give any notice of the continued meeting otherwise than by announcement at the meeting at which such adjournment is taken.

Section 3.05. Attendance.

A member shall be treated as present if it is represented by an individual who has been designated by the member in writing as its principal representative or by an individual holding a proxy duly executed by the principal representative.

Section 3.06. Quorum.

A meeting of the members shall not transact business unless a quorum is present. The presence in person, by proxy, or by telephone of a majority of the voting members of the Council shall constitute a quorum. The Council may discuss matters, but not take action, in the absence of a quorum. In the absence of a quorum, any meeting of the Council may be adjourned to be continued at another time by the vote of a majority of the Directors present. At any such continued meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. If a quorum is found to exist at a meeting, it shall be deemed to exist until adjournment notwithstanding the withdrawal of enough voting members to leave less than a quorum, provided that no action shall be taken except by the affirmative vote of more than one-third of the votes of all the voting members of the Council.

Section 3.07. Voting.

- (a) Each voting member shall be entitled to one vote. Such member's vote may be exercised at meetings by that member's designated principal representative or by a representative of either that member or another voting member appointed in a written proxy. The affirmative vote of a majority of votes entitled to be cast by the members present in person, by proxy, or by telephone at a meeting at which a

quorum is present shall be necessary for the adoption of any matter voted upon by the members of the Council.

- (b) Any action required or permitted to be taken by the members of the Council at a meeting may be taken without a meeting by mail or email ballot by a unanimous vote of all of the voting members of the Council.

Section 3.08. Conduct of Meetings.

The Chair shall preside at meetings of the members of the Council. In the absence of the Chair, the Chair-Elect shall preside. In the absence of the Chair and the Chair-Elect, a chair shall be elected from the members present. The Secretary, or in the Secretary's absence an individual designated by the chair of the meeting, shall act as secretary of the meeting.

Section 3.09. Proxy.

For purposes of these Bylaws, a proxy may be given in writing by letter, facsimile, or email.

ARTICLE IV – Dues and Assessments

Section 4.01. Annual Dues.

Each year the Board of Directors shall prescribe the dues rates for the classes of members for the following calendar year. The Council shall promptly send to each member written notice of the prescribed dues and the due date or dates of payment thereof. The dues of voting members shall be determined by the Board of Directors from year to year on the basis of the total sales derived by the member's business in the United States from the activities described in Section 2.01 for its most recently completed fiscal year. A person may be a Voting member of CRN in more than one category, and in such case shall pay dues in each category commensurate with its sales in that category.

Section 4.02. Special Assessments.

Members of the Council shall pay such special assessments as the Board of Directors may from time to time levy in order to defray extraordinary or unusual expenses incurred by or on behalf of the Council, provided that no member shall become obligated to pay such an assessment until it has been ratified by a majority vote of the members of the Council. Payment by a member, in whole or in part, of any special assessment shall constitute the member's vote to ratify such assessment.

Section 4.03. Non-Payment of Dues or Assessments.

Renewal dues are payable within the first sixty (60 days) of a calendar year. The failure of any member of the Council to pay dues or assessments within thirty days after the due date thereof shall result in such member's suspension from the Council until such payment is received except in extenuating circumstances communicated to and accepted by the Board of Directors or the Executive Committee. Once a new dues year begins, that member must reapply for membership if it fails to pay its dues within the prescribed time period. A firm that fails to pay its dues in a timely manner in a particular year, may not allow its membership to lapse and then rejoin later that calendar year at a pro-rated amount; dues for the entire year are payable upon an application to rejoin in the same calendar year except in extenuating circumstances communicated to and accepted by the Board of Directors or the Executive Committee. Members whose dues are more than 30 days delinquent may be assessed a reasonable interest charge on those dues, up to 1.5% per month.

ARTICLE V – Board of Directors

Section 5.01. Authority of Board.

The property, affairs, business, and activities of the Council shall be managed by the Board of Directors.

Section 5.02. Number of Directors and Terms of Office.

The Board of Directors shall be comprised of a variable number of voting members of the Council, but not less than seven voting members. Directors shall hold office for a term of three years.

- (a) Large Voting Member Directors. Each large voting member of the Council (whether a finished product member or an ingredient member) shall have the right to a continuing individual of its choice on the Board of Directors. For the year 2014 and thereafter, the sales level for a large member shall be at least \$120 million in United States sales. This qualifying level for large members may be reviewed and revised periodically by the Board of Directors without amending these Bylaws.
- (b) Small Voting Member Directors. For voting members who are not large members, there shall be a number of Board of Directors seats corresponding to twenty percent of the total number of small finished product voting members and twenty percent of the total number of small ingredient members. For members that qualify as both small finished product members and small ingredient members, for purposes of determining the number of elected directors, they shall be counted in both categories. The members within the two small member categories shall elect these Directors for their category. Each year, one-third of the available small voting member Director positions shall be deemed to be available for election.

Section 5.03. Qualifications of Directors.

A Director shall have an active relationship (a director, officer, employee, partner, or other similar relationship) with a voting member. No member shall have more than one representative serving as a Director. A member that qualifies for membership as both a finished product member and an ingredient member may run for office in either category, but in only one category in a given election. A Director elected from the small voting member categories shall not serve for more than two consecutive full three-year terms except as provided in Section 8.02 for a nonemployee Officer of the Council.

Section 5.04 Interim Directors.

The Board of Directors or the Executive Committee may, at their discretion, appoint an Interim Director. An Interim Director may not serve as an Officer but may attend, and otherwise participate in, all meetings of the Board of Directors. Membership in the Council is a prerequisite to appointment as an Interim Director. The term of office of an Interim Director shall be from the date of appointment until the following Annual Meeting of the members of the Council.

Section 5.05. Nomination of Small Voting Member Directors.

The Chair, with the consent of the Board of Directors, shall appoint a Nominating Committee comprised of the Immediate Past Chair and four other Directors. The Nominating Committee must consist of at least one large voting member and at least two small voting members. The availability of open Board positions shall be announced to the membership and the Nominating Committee shall accept nominations for small voting member Directors from small finished product voting members and small ingredient voting members who meet the qualifications of Section 5.03. With due consideration to the qualifications of the candidates, the Nominating Committee shall compose a slate of candidates equal to the number of available Board positions for small voting members of each category which shall be presented to the membership of the Council for ratification.

Section 5.06. Election of Small Voting Member Directors.

Only small voting members of the Council shall be eligible to vote. Small voting members who pay dues in both the finished product and the ingredient categories shall be permitted to vote in both categories. The members shall vote whether to ratify the slate of nominees for the Directors. Voting shall be by mail, facsimile, or email ballot. The slate of nominees is approved if a majority of small voting members of the Council who cast a vote approves the slate. If a slate of nominees fails to receive approval from a majority of the votes cast, then the names of all individuals submitted to the Nominating Committee shall be put into nomination and another round of voting shall be conducted among all small voting members. In such event, all small voting members shall be permitted to cast the number of votes equal to the number of available Board positions for that election and the individuals receiving the highest votes shall be elected. Cumulative voting is not permitted. In the case of a tie, which would be determinative of whether a nominee is elected to the Board, a run-off shall be conducted between those two nominees.

Section 5.07. Continuation in Office.

After the expiration of the term for which a Director was elected, a Director who is not re-elected and whose successor has not been elected shall, unless such Director sooner resigns or is removed or terminates the relationship with a member, continue to hold office until a successor is elected.

Section 5.08. Vacancies.

A vacancy existing by reason of the resignation, termination of relationship, death, incapacity, or removal of a small voting member Director before the expiration of that Director's term shall be filled for the unexpired term by appointment of the Board of Directors, upon the nomination of the Executive Committee. The vacancy may, but is not required to be, filled by a person from the same company as the departing Director, at the discretion of the Board. Any such Director who completes the unexpired term of another Director shall do so subject to the term limits applicable to the unexpired term limits, or to the term limits otherwise applicable to the Director, whichever period is longer. A vacancy relating to a large member Director shall be filled by the member.

Section 5.09. Resignation.

A Director may resign at any time by giving written notice of resignation to the Chair or the Secretary. Any such resignation shall take effect at the time received unless another time is specified in such notice. Unless specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.10. Removal.

A Director shall be removed by two-thirds vote of the voting members of the Council or of the Board of Directors, provided that a Director may be removed only at a meeting where prior notice of this issue has been given.

Section 5.11. Termination of Relationship.

When a Director terminates the relationship with the member (as a director, officer, employee, partner, or other relationship), such Director's membership on the Board of Directors is automatically vacated effective on the date the relationship with the member is terminated. The vacancy thus created shall be filled in accordance with Section 5.08.

Section 5.12. Termination of Large Member.

When a large member terminates its membership in the Council, the seat of the large member on the Board of Directors is automatically terminated. The vacancy shall not be filled.

Section 5.13. Compensation of Directors.

No member of the Board of Directors may receive compensation for services as a member of the Board of Directors or of any committee thereof or reimbursement for expenses incurred in connection with such service (including attendance at meetings). However, nothing shall preclude

any Director from serving the Council in any other capacity or receiving reasonable compensation for any such services, provided that no conflict of interest exists that otherwise precludes a board member from doing so.

ARTICLE VI – Executive Committee; Committees

Section 6.01. Executive Committee.

There shall be an Executive Committee of the Board of Directors comprised of the following Directors: the Chair, the Chair-Elect, the immediate past Chair, the Treasurer, the Secretary, and ten at-large Directors. Five of the Directors shall be elected to serve on the Executive Committee by the Directors. Five of the Directors shall be selected to serve on the Executive Committee by appointment of the Chair. The President of the Council shall serve as an ex officio member of the Executive Committee throughout the President's term in office. The ten non-officer members of the Executive Committee shall each serve for a two-year term to coincide with the term of the Chair and shall be limited to three consecutive full terms.

Section 6.02. Authority of the Executive Committee.

The Executive Committee shall have and exercise the powers of the Board of Directors with respect to operating issues between meetings of the Board of Directors and the powers specifically provided in these Bylaws. The Executive Committee shall not have authority to act for the Board regarding election of Officers, dues and assessments, or amendments to the Bylaws. The Executive Committee shall not take any action that would contravene or negate previous actions of the Board of Directors. The Executive Committee shall meet upon the call of the Chair or any two other members of the Executive Committee. The presence of a majority of the Executive Committee shall constitute a quorum for the transaction of business. The Executive Committee may discuss matters, but not take action, in the absence of a quorum.

Section 6.03. Audit Committee.

There shall be an Audit Committee composed of at least three non-Officer members of the Board of Directors nominated by the Chair and elected by the Board of Directors. The Treasurer shall serve on the Audit Committee in an ex officio capacity.

The Audit Committee shall have the following responsibilities:

- (a) To recommend to the Board of Directors the independent accountants to examine the Council's accounts, controls, and financial statements and, if appropriate, to recommend to the Board of Directors the removal of the independent accountants.
- (b) To review and approve the scope of the examination to be conducted by the independent accountants.
- (c) To review results of the examinations of the accounts and the records of the Council by the independent accountants, their evaluation of the Council's internal system of audit and financial controls, and their annual report on the consolidated statement of financial position and related statement of earnings and changes in financial position of the Council, and to cause the annual audit report to be sent to the Board of Directors within ninety days of receipt.
- (d) To review, with the Treasurer, the President, or such others as the Audit Committee deems appropriate, the Council's internal system of audit and financial controls and the results of internal audits.
- (e) To review the Council's financial reporting, the accounting standards and principles followed by the Council, and changes in such standards or principles or in their application.
- (f) To review and investigate any matters pertaining to the integrity of management, including conflicts of interest, or adherence to standards of business conduct as required in the policies of the Council. In connection therewith, the Audit Committee will meet, as appropriate, with legal counsel and other Council Officers or Directors.
- (g) To provide periodic reports to the Board of Directors and the Executive Committee on the financial state of the Council.
- (h) To recommend to the Board of Directors any change in the dues or dues structure of the Council.

In discharging its responsibilities, the Audit Committee shall meet periodically with the Council's independent accountants without the presence of any Officer of the Council.

Section 6.04. Other Committees.

The Board of Directors may establish committees composed of Directors, representatives of members of the Council, and others, and make such provisions for appointment of the members and chair, establish such procedures to govern their activities, and delegate such authority and power as may be necessary or desirable for the efficient management of the property, affairs, business, and activities of the Council. Notwithstanding the foregoing, each such committee shall have only such authority as may be delegated by the Board of Directors and is not in violation of the District of Columbia Nonprofit Corporation Act, as it may from time to time be amended.

Section 6.05. Meetings of the Executive Committee.

The Executive Committee shall meet annually to review and recommend the budget of the Council for the following calendar year. Other meetings of the Executive Committee shall be held as issues or needs warrant.

Section 6.06. Meetings of Committees.

Meetings of any committee provided for in, or established pursuant to, these Bylaws shall, to the extent not otherwise specified in a resolution of the Board of Directors, be conducted as if the foregoing provisions of this Article were applicable.

ARTICLE VII – Meetings of the Board of Directors

Section 7.01. Place of Meetings.

The Board of Directors may hold its meetings at such places, within or without the District of Columbia, as the Board of Directors may from time to time determine. The Board of Directors and its Executive Committee may, when appropriate, meet in person or by telephone conference call, or a combination of the two.

Section 7.02. Annual Organizational Meeting.

During, at the end of, or after each Annual Meeting of the members, there shall be an annual organizational meeting of the Board of Directors. If such annual organizational meeting of the Board of Directors is held at the place of and during or at the end of the Annual Meeting of the members, no notice need be given of such meeting.

Section 7.03. Action at the Annual Organizational Meeting.

At each annual organizational meeting of the Board of Directors, the Directors shall make arrangements for management of the affairs of the Council for the following year, elect the Officers of the Council, and conduct such other business as may be appropriate.

Section 7.04. Regular Meetings.

In consultation with the Board of Directors, the Chair shall establish a schedule of regular meetings of the Board of Directors. The Board of Directors shall attempt to meet at least four times each year, including the annual organizational meeting, special meetings, and telephone conference call meetings.

Section 7.05. Special Meetings.

Special meetings of the Board of Directors shall be held whenever called by the Chair or by two or more of the Directors. The President shall have the authority to call an emergency meeting of the Board of Directors.

Section 7.06. Notice of Meetings and Waiver.

Notice of each meeting of the Board of Directors, other than the annual organizational meeting in the circumstances provided for in Section 6.02, shall be given on or before the seventh day before the meeting by letter or electronic means, charges prepaid, directed to each Director at the Director's address as it appears in the records of the Council. The notice shall specify the place, day, and hour of the meeting and the general nature of the business to be transacted. A waiver of notice of any meeting in writing signed by the Director entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a Director at any meeting shall constitute a waiver by that Director of notice of such meeting except where such Director attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Whenever a meeting of the Board of Directors shall be adjourned to continue at another time, it shall not be necessary to give any notice of the continued meeting or of the business to be transacted thereat otherwise than by announcement at the meeting at which such adjournment is taken.

Section 7.07. Quorum and Adjournment.

The presence of a majority of Directors in person, by proxy, or by telephone shall be necessary to constitute a quorum for the transaction of business. The Board of Directors may discuss matters, but not take action, in the absence of a quorum. In the absence of a quorum, any meeting of the Board of Directors may be adjourned to be continued at another time by the vote of a majority of the Directors present. At any such continued meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. If a quorum is found to exist at a meeting, it shall be deemed to exist until adjournment notwithstanding the withdrawal of enough Directors to leave less than a quorum, provided that no action shall be taken except by the affirmative vote of more than one-third of the votes of all the Directors.

Section 7.08. Voting.

- (a) Each Director shall have one vote at all meetings of the Board of Directors.
- (b) Except as otherwise specifically provided by these Bylaws, a majority of the votes entitled to be cast by the Directors present at a meeting at which a quorum is present shall be required for action by the Board of Directors.

Section 7.09. Action Without a Meeting.

Any action required or permitted to be taken at a meeting of the Board of Directors or the Executive Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be executed by each of the members by letter, facsimile, or email.

Section 7.10. Conduct of Meetings.

The Chair shall preside at meetings of the Board of Directors. In the absence of the Chair, the Chair-Elect shall preside. The Secretary or, in the Secretary's absence, a person designated by the Chair shall act as secretary of the meeting.

Section 7.11. Compensation of Directors.

No member of the Board of Directors may receive compensation for services as a member of the Board of Directors or of any committee thereof or reimbursement for expenses incurred in connection with such service (including attendance at meetings). However, nothing shall preclude any Director from serving the Council in any other capacity or receiving reasonable compensation for any such services, provided that no conflict of interest exists that otherwise precludes a board member from doing so.

Section 7.12. Abstentions by Directors.

No Director may participate in the negotiation of any contract or other transaction between the Council and any individual, corporation, partnership, trust, or other business entity in which such Director has a substantial financial interest or of which such Director is a director, trustee, officer, partner, employee, or agent, or solicit the award of any such contract or transaction from any Director, officer, employee, or agent of the Council. If a Director knows that the Board of Directors or any committee of the Board of Directors proposes, at a meeting at which such Director will not be present, to act upon or in reference to any such contract or transaction, it shall be that Director's duty to advise the Board of Directors or committee, at or before the meeting, of the interest in such contract or transaction. If a Director is present at any meeting at which the Board of Directors or any committee of the Board of Directors acts upon or in reference to any such contract or transaction or upon or in reference to any contract or transaction between the Council and such Director or a member of such Director's immediate family, it shall be that Director's duty to abstain from participation in any discussion of or vote upon such contract or transaction. For purposes of this Section, the term "substantial financial interest" shall mean any financial interest with a fair value in excess of \$10,000, or any ownership interest in excess of five percent without regard to value, including any such interest, known to the Director, of that Director's spouse or minor child.

ARTICLE VIII - Officers

Section 8.01. Officers.

The nonemployee Officers of the Council shall be a Chair, a Chair-Elect, a Secretary, and a Treasurer. Any two or more offices may be held by the same person, except that the same person may not be both Chair and Secretary and the same person may not be both Chair and Chair-Elect. The employee Officer of the Council shall be the President.

Section 8.02. Election and Term of Office.

The Board of Directors shall elect, from among its number or otherwise, the nonemployee Officers of the Council. The term of office for each nonemployee Officer shall be two years. A nonemployee Officer shall hold office until the expiration of the designated term regardless of any other term limit provisions and until a successor shall have been duly elected, or until the Officer resigns, is removed, or terminates the relationship. The Chair-Elect shall automatically succeed the Chair at the end of the Chair's term. The President may be elected for an unlimited term. A nonemployee Officer whose term on the Board of Directors expires shall nonetheless remain a member of the Board of Directors during the term of Office, including any automatic succession to another Office, and such position shall not thereafter count against the number of seats allocated to small voting members on the Board of Directors and the Executive Committee.

Section 8.03. Resignation.

An Officer of the Council may resign at any time by giving written notice of resignation to the Chair or the Secretary. Any such resignation shall take effect at the time received unless another time is specified in such notice. Unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.04. Removal.

An Officer appointed by the Board of Directors may be removed by the Directors whenever in their judgment the best interests of the Council would be served thereby, provided that an Officer may be removed only at a meeting where prior notice of this issue has been given.

Section 8.05. Compensation.

The compensation of the President shall be fixed from time to time by the Board of Directors.

Section 8.06. Vacancies.

In the event of death, resignation, removal, or termination of relationship of any Officer, the Board of Directors shall elect an individual to serve out the remaining term of such Officer. If the Chair leaves office before the end of the Chair's two-year term, the Chair-Elect shall serve as the Chair during the remainder of that term and during the following term.

ARTICLE IX – Duties of the Officers

Section 9.01. President.

The President shall be the Chief Executive Officer of the Council. Subject to the direction and control of the Board of Directors and the Executive Committee, the President shall have general and active supervision over the property, business, and affairs of the Council and over its employees. The President shall be entitled to attend, as an ex officio member but without a vote, all meetings of the Board of Directors, the Executive Committee, and the committees of the Board of Directors. In general, the President shall have all the authority and perform all the duties incident to the office of President and such other duties as may from time to time be assigned to the President by the Board of Directors and the Executive Committee. The President shall prescribe the duties of all employees of the Council in addition to such duties as are set forth for those employees in these Bylaws. The President shall, subject to such limitations as the Board of Directors may impose, including budgetary limitations, have power to hire and dismiss employees and agents of the Council.

Section 9.02. Chair.

The Chair of the Board of Directors shall act as the chair of meetings of members, meetings of the Board of Directors, and meetings of the Executive Committee.

Section 9.03. Chair-Elect.

The Chair-Elect shall, at the request of the Chair or in the Chair's absence or disability, perform the duties of the Chair and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chair. The Chair-Elect shall perform such duties as from time to time may be assigned by the Board of Directors, the Executive Committee, or the Chair.

Section 9.04. Secretary.

The Secretary shall:

- (a) See that all notices are duly given in accordance with law and these Bylaws.
- (b) Cause to be kept, in books provided for the purpose, minutes of the meetings of the members, the Board of Directors, and each committee of the Board of Directors.
- (c) See that the books, reports, statements, and all other documents and records required by law are properly kept and filed.
- (d) Sign such instruments as require the signature of the Secretary.
- (e) In general, perform all the duties incident to the office of the Secretary and such other duties as may from time to time be assigned to the Secretary by the Board of Directors or the Executive Committee.

Section 9.05. Treasurer.

The Treasurer shall:

- (a) If required to do so by the Board of Directors, give a bond for the faithful discharge of duties in such sum and with such sureties as the Board of Directors or the President shall require.
- (b) Have charge and custody of, and be responsible for, all funds and securities of the Council and deposit all such funds in the name of the Council in such banks, trust companies, other depositories, or investments as shall be selected by the Board of Directors.
- (c) Cause the maintenance of adequate and correct accounts of the Council's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and surplus.
- (d) Cause at all reasonable times the books of accounts and records to be shown to any Director during business hours at the office of the Council where such books and records are kept.

- (e) Render a financial report at the Annual Meeting of the members and, if requested, a statement of the condition of the finances of the Council at meetings of the Board of Directors and the Executive Committee.
- (f) Cause the receipt of and credit for moneys due and payable to the Council from any source whatsoever.
- (g) 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 the Treasurer by the Board of Directors or the Executive Committee.

Section 9.06. Other Officers.

The Board of Directors may from time to time elect other Officers and may specify the duties of such Officers.

ARTICLE X – Financial and Administrative Provisions

Section 10.01. Fiscal Year.

The fiscal year of the Council shall be the calendar year.

Section 10.02. Budget.

The Board of Directors shall approve an annual operating budget, covering all activities of the Council, for each fiscal year.

Section 10.03. Audit.

The Council's accounts shall be audited not less than annually by an independent accounting firm under the supervision of the Audit Committee. The audit report shall be sent to the Board of Directors no later than ninety days following the completion and receipt of the audit and shall be made available to the membership upon request.

Section 10.04. Deposits and Accounts.

All funds of the Council not otherwise employed shall be deposited from time to time in general or special accounts in such banks, trust companies, other depositories, or investments as the Board of Directors may select or as may be selected by any committee or any Officer to whom such power has been delegated by the Board of Directors. For the purpose of deposit and for the purpose of collection for the account of the Council, checks, drafts, and other orders for the payment of money, which are payable to the order of the Council, may be endorsed, assigned, and delivered by any Officer, employee, or agent of the Council as shall from time to time be determined by the Board of Directors or the Executive Committee.

Section 10.05. Checks, Drafts, Etc.

All checks, drafts, orders for the payment of money, bills of lading, warehouse receipts, obligations, bills of exchange, and insurance certificates shall be signed or endorsed by such Officers, employees, or agents of the Council and in such manner as shall from time to time be determined by the Board of Directors or the Executive Committee.

Section 10.06. Loans and Advances.

The Board of Directors or the Executive Committee may by resolution empower the President or other Officer of the Council to effect loans and advances at any time for the Council from any bank, trust company, or other person, and for such loans and advances may empower such person to make, execute, and deliver promissory notes or other evidences of indebtedness of the Council, provided that for the purpose of giving security for any such loan or advance, no Officer shall mortgage, pledge, hypothecate, or transfer any property whatsoever owned or held by the Council except when specifically authorized by resolution of the Board of Directors or the Executive Committee.

Section 10.07. Contracts and Appointments of Agents in Connection Therewith.

The Board of Directors or the Executive Committee may by resolution empower the President or other Officer of the Council to execute and deliver:

- (a) Contracts between the Council and any person.
- (b) Bonds and undertakings required for the faithful performance of such contracts.
- (c) Vouchers and receipts in connection therewith.

Section 10.08. Limitations of the Board of Directors.

The Board of Directors or the Executive Committee shall, by resolution, promulgate limitations with respect to the maximum amounts of transactions that may be undertaken or authorized to be undertaken:

- (a) By any employee or agent without authority from the President.
- (b) By an Officer without authority from the President.
- (c) By the President without authority from the Board of Directors or the Executive Committee.

Section 10.09. Limitation on Appropriations by the Board of Directors.

The Board of Directors shall have no authority to effect loans or advances or to make appropriations exceeding the total of the current net worth of the Council and outstanding dues or assessments payable by members of the Council, provided that the voting members may, by a two-thirds vote of all voting members, authorize the Board of Directors to effect such loans or advances and to make such appropriations exceeding the above total.

Section 10.10. Liability of Members.

No member of the Council shall be liable for any indebtedness or obligation of the Council in an amount exceeding the total of such member's unpaid current dues and duly levied assessments.

ARTICLE XI - Indemnification

Section 11.01. Third Party Actions.

The Council shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Council) by reason of the fact that such person is or was a Director, Officer, employee, or agent of the Council, or is or was serving at the request of the Council as a director, trustee, officer, employee, or agent of another corporation, association, trust, partnership, joint venture, or other entity, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by that person in connection with such action, suit, or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Council, and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Council, or a presumption, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that the conduct was unlawful.

Section 11.02. Action by or in Name of the Council.

The Council shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Council to procure a judgment in its favor by reason of the fact that such person is or was a Director, Officer, employee, or agent of the Council, or is or was serving at the request of the Council as a Director, trustee, officer, employee, or agent of another corporation, association, trust, partnership, joint venture, or other entity, against expenses (including attorneys' fees) actually and reasonably incurred by that person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Council, provided that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of a duty to the Council unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 11.03. Successful Defense.

To the extent that a Director, Officer, employee, or agent of the Council has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 10.01 and 10.02, or in defense of any claim, issue, or matter therein, the person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred in connection therewith.

Section 11.04. Determinations.

Any indemnification under Sections 10.01 and 10.02 (unless ordered by a court) shall be made by the Council, only as authorized in the specific case upon a determination that indemnification of the Director, Officer, employee, or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in said Sections 10.01 and 10.02. Such determination shall be made by the Board of Directors by a simple majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding, or, if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

Section 11.05. Advances.

Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Council in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in the specific cases upon receipt of an undertaking by or on behalf of the Director, Officer, employee, or agent to repay such amount unless it shall ultimately be determined that the person is entitled to be indemnified by the Council as authorized in this Article.

Section 11.06. Other Rights.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any Bylaw, agreement, vote of disinterested Directors, or otherwise, both as to action in the person's capacity as holder of an office in, position with, or agency from the Council or another corporation and as to action in another capacity while holding such office, position, or agency and shall continue as to such person after that person has ceased to hold such office, position, or agency and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 11.07. Insurance.

The Council may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Council, or is or was serving at the request of the Council as a Director, trustee, officer, employee, or agent of another corporation, association, trust, partnership, joint venture, or other entity against any liability asserted against such person and incurred in any such capacity, or arising out of the person's status as such, whether or not the Council would have the power to indemnify against such liability under the provisions of this Article or the law of the District of Columbia, provided that if the Council has annual total functional expenses, exclusive of grants and allocations, of more than \$100,000, the Council shall purchase and maintain liability insurance with a limit of coverage of not less than that specified in Section 29-301.113(c) of the District of Columbia Nonprofit Corporation Act, as it may from time to time be amended.

Section 11.08. Reimbursement of Council Legal Expenses.

If the Council is sued, or is required to respond to a subpoena or other legal process, as a result of its activities relating to a particular substance or product, all related legal expenses (including defense and liability costs) not covered by insurance shall be reimbursed by the Council members who have or have had a business interest in the substance or product during the time covered by the proceeding. Reimbursement shall be allocated among the affected members on a fair and equitable basis. In the event of any disagreement, the Executive Committee shall resolve the matter.

Section 11.09. Partial Invalidity.

The invalidity or unenforceability of any provision of this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

ARTICLE XII – Changes to Bylaws

Section 12.01. Notice and Voting Requirements.

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted at any regular or special meeting of the Board of Directors. A copy of the proposed amendment or new Bylaw shall be included in a notice of such meeting given to the Directors in advance of the meeting. Any amendment to the Bylaws must be approved by the affirmative vote of a two-thirds majority of the Directors present at the regular or special meeting properly called and constituted. These Bylaws also may be amended without the necessity for prior notice of the proposed amendment, or by written or electronic ballot without the benefit of a meeting, upon the unanimous vote of all Directors duly elected or appointed to the Board.