

## **HEALTH AND ENVIRONMENTAL SCIENCES INSTITUTE BYLAWS**

### **PREAMBLE**

The objective of the Health and Environmental Sciences Institute (“HESI”) is to provide an international forum to collaboratively engage scientists from the public and private sector to identify and resolve global health and environmental issues. In order to fulfill its scientific mission, HESI adheres to a multi-sector operating model—the proposition that scientists from academia, government, and industry, as well as other research and scientific organizations and institutions, should be fully integrated into all levels of the entity’s activities, including governance bodies such as the HESI Board of Trustees, as well as in the work of technical committees. This multi-sector partnership approach, together with the requirement that all HESI activities must be directed to and carried out in an objective manner for the benefit of the public health, is a fundamental aspect of HESI’s identity.

### **ARTICLE I: GENERAL**

SECTION 1. The principal office of HESI shall be in the District of Columbia, or such other place within or without the District of Columbia as the HESI Board of Trustees may from time to time determine or as the business of HESI may require.

SECTION 2. The purpose for which HESI is organized is exclusively scientific, charitable, and/or educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986.

SECTION 3. HESI shall establish an antitrust policy in keeping with the antitrust laws of the District of Columbia, as well as with state and federal antitrust laws, and shall distribute a copy of such policy to participants at HESI business meetings and activities. Such policy shall prohibit discussion or dissemination of such matters as, but not limited to, the following: information concerning costs, pricing, credit, and marketing policies, sales territories, and customers.

SECTION 4. As used herein, being affiliated with a “public sector organization” means that an individual is currently employed by or holds an appointment in a university, government agency, public research institute, or nonprofit foundation, or has retired from one of these organizations or entities during the course of his or her appointed or elected term with a HESI body. If an individual is employed by a for-profit (private) organization but also holds an appointment in a public sector organization (whether remunerated or not) then, for the purposes of their engagement in HESI, they will be regarded as a representative of the private sector.

SECTION 5. Where necessary or appropriate to the meaning of these bylaws, words of gender shall include all genders.

### **ARTICLE II: ASSEMBLY**

SECTION 1. The following individuals will be considered members of the Assembly: (a) individuals affiliated with public sector organizations, who are enrolled on a roster of active participants in HESI's scientific committees or HESI's Emerging Issues Committee, or who are members of HESI's Board of Trustees; (b) one individual designated by each Sponsor as an official representative; and (c) individuals affiliated with a Sponsor who are enrolled on a roster of active participants in HESI's scientific committees or HESI's Emerging Issues Committee, or who are members of HESI's Board of Trustees.

SECTION 2. All members of the HESI Assembly as defined in Section 1 above shall be eligible to vote at all meetings and on ballots of the HESI Assembly, and receive all general materials that are relevant to the Assembly. Upon reasonable written request, HESI Assembly members shall have access to such relevant information as is generally available to the Assembly at HESI's principal office in the District of Columbia. Members of the Assembly shall also be eligible to participate on one or more scientific committees, subject to such nondiscriminatory conditions regarding membership as may be adopted by the respective scientific committees and, in the case of members of the Assembly affiliated with a Sponsor, subject to payment by the relevant Sponsor of applicable committee dues and assessments. Members of the Assembly shall also be eligible to participate on one or more Emerging Issues subcommittees (as described in Article VIII, Sections 1 and 2).

SECTION 3. The HESI Assembly shall elect a slate of representatives to the HESI Board of Trustees in accordance with Article IV, Section 3. This slate shall include both industry and public sector trustees and will be put forward by the Nominating Committee as defined in Article VI, Section I. The vote may be conducted in a meeting of the Assembly or by ballot as permitted by the District of Columbia Nonprofit Corporations Act. The HESI Assembly shall also consider such other matters as are submitted to it by the HESI Board of Trustees, by any scientific committee, or by the Emerging Issues Committee (as described in Article VIII, Section 3) for consideration or action in a meeting or by ballot.

SECTION 4. On an annual basis, each member of the Assembly will be asked to confirm whether he or she wishes to receive a ballot for elections or other votes during a designated twelve-month period. Members of the Assembly who request a ballot will be known as "Electors," and will be identified as such in a register maintained by HESI. When a matter is submitted to the Assembly for a vote, the Electors will be grouped into two classes: Public Sector-Affiliated Electors and Sponsor-Affiliated Electors. The votes of each class will be tallied separately, and any position which receives a majority of the votes by a class of Electors will be treated as representing the decision of that class on the matter under consideration. Consequently, the votes of the Public Sector-Affiliated Electors will be weighted equally with those of the Sponsor-Affiliated Electors. The Assembly will strive to resolve matters submitted for a vote by consensus. However, in the event of a tie between the Public Sector Affiliated Electors and the Sponsor-Affiliated Electors, the matter under consideration shall be submitted to the HESI Board of Trustees for a decision in accordance with the Board's own decision-making procedures.

4(a). One-tenth of the Electors in each class described in Article II, Section 3 above shall constitute a quorum on any matter submitted to the Assembly for a decision.

SECTION 5. A regular or special meeting of the HESI Assembly is not required to be held at a geographic location if the meeting is held by means of the Internet or other electronic communications technology in a fashion pursuant to which the members of the Assembly have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the Sponsors, pose questions, and make comments.

SECTION 6. Special meetings of the HESI Assembly, for any purpose or purposes, unless otherwise prescribed by statute or the Articles of Incorporation of HESI, may be called by the HESI President and shall be called by the HESI President at the written request of one-third of both the Public Sector- Affiliated Electors and the Sponsor-Affiliated Electors. Such request shall state the purposes of the proposed meeting.

6(a). Written notice of a special meeting stating the place, date, and time of the meeting and the purposes for which the meeting is called shall be given to each member of the HESI Assembly not less than ten (10) days before the meeting. Business transacted at any special meeting of the Assembly shall be limited to the purposes stated in the notice.

### **ARTICLE III: SPONSORS AND AFFILIATE SPONSORS**

SECTION 1. A business entity (hereinafter “company” or “companies”) may become a Sponsor if the company: (i) is a producer of food, beverages, pharmaceuticals, cosmetics, agricultural or other chemicals, forestry and paper products, communications products, transportation products, energy products, personal care and household products, or containers thereof, or a producer of ingredients used therein or in connection therewith, or is a provider of scientific and technical services used in the safety testing or production of the foregoing products; (ii) is interested in furthering the purposes of HESI; (iii) applies for admission as a Sponsor; (iv) agrees to these bylaws, the Antitrust Statement, and HESI’s Code of Ethics; and (v) agrees to such other reasonable policies and conditions of participation in the Assembly established by the HESI Board of Trustees. No trade association may be admitted as a Sponsor in HESI In addition, a company is ineligible to become a HESI Sponsor if that company or a related company engages in the manufacture, production, marketing, sale, or distribution of tobacco products. For purposes of this provision, the term “related company” means any company that controls, is controlled by, or is under common control with another company.

SECTION 2. Companies seeking admission to the Assembly as Sponsors must submit an application and the applicable dues and/or initiation fee, if any, as adopted by the HESI Board of Trustees. The Company must also designate an Official Representative (named individual) to serve as a liaison with HESI’s Executive Director on matters regarding HESI Sponsorship. The term of a Sponsor’s Official Representative shall automatically expire when: (i) the Official Representative ceases to be employed by Sponsor; (ii) the Official Representative's connection with the Sponsor is otherwise severed; (iii) the company ceases to be a Sponsor of HESI; or (iv) the Sponsor designates another Official Representative.

2(a). Once a Sponsorship application has been received and all conditions of Sponsorship are satisfied, and upon payment of the applicable dues and initiation fee, the applicant shall become

a HESI Sponsor and shall be entitled to have its official representative and other scientific personnel participate in all Assembly activities as described in Article II.

SECTION 3. A Sponsor may cancel its Sponsorship at any time upon written notice to the HESI Executive Director of such voluntary withdrawal. Any Sponsor that ceases to qualify as a Sponsor may have such status suspended or revoked upon a recommendation of the HESI Executive Committee and a majority vote of the HESI Board of Trustees. Conditions that shall be cause for suspension or revocation of Sponsorship include, but shall not be limited to, the following: (i) failure to conform to requirements to serve as a Sponsor; (ii) failure to perform such obligations and duties as may be determined by the HESI Board of Trustees; (iii) failure to pay dues or expenses assessed by HESI; (iv) violation of these bylaws or any other lawful rule of practice or procedure adopted by HESI; or (v) any unethical or improper business practices, or other conduct detrimental to the best interests of HESI. For any cause other than failure to pay dues or expenses, a vote for suspension or revocation of status shall occur only after the Sponsor complained against has been notified in writing of the recommendation for suspension or revocation of Sponsorship, and has been given a reasonable opportunity to be heard, provided that notice of the Sponsor's intent to be heard is provided to the HESI Chair in writing within thirty (30) days of receipt of written notice of the recommendation for such suspension or revocation. The opportunity to be heard may be provided by teleconference or in person, at the discretion of the HESI Chair. The HESI Chair shall either call a special meeting of the HESI Board of Trustees or place the Sponsor's challenge on the agenda at the next regularly scheduled HESI Board of Trustees meeting. Voluntary withdrawal, suspension, or revocation of Sponsorship shall not relieve such Sponsor from the obligation to pay dues and assessments incurred prior to the date of such withdrawal, suspension, or revocation. All dues, assessments, and other fees, once paid, will not normally be refunded.

SECTION 4. The HESI Board of Trustees, in its sole discretion, may elect to reinstate a company's status as Sponsor, regardless of the reason such status was revoked, provided the company corrects the deficiency that caused its loss of status no later than twelve (12) months from the date of revocation. If more than twelve (12) months elapse without the company correcting such deficiency, the company must reapply as if it had never been a Sponsor.

SECTION 5. The HESI Board of Trustees, in its sole discretion, may offer the possibility for companies that are not currently Sponsors to become Affiliate Sponsors.

5(a). An Affiliate Sponsor may participate in one scientific committee that has been specifically designated by the Board of Trustees as eligible for participation by Affiliate Sponsors. A representative of an Affiliate Sponsor may also attend meetings of the HESI Assembly and may receive general informational materials circulated to members of the Assembly. However, a representative of an Affiliate Sponsor may not: (i) vote on matters presented to the Assembly, (ii) be counted towards establishing a quorum of the Assembly, (iii) be nominated to the HESI Board of Trustees, (iv) participate at no cost at the HESI Annual Meeting, (v) participate at no cost in HESI Emerging Issues Committees, or (vi) join other HESI scientific committees.

5(b). An Affiliate Sponsor must meet all HESI Sponsorship criteria as defined in Article III, Section 1; must apply for Affiliate Sponsorship in the same manner prescribed in Article III,

Section 2 for applications for full Sponsorship; and must pay any HESI Affiliate Sponsorship fee set by the Board of Trustees as well as any scientific committee dues set by the scientific committee.

5(c). In becoming an Affiliate Sponsor, a company agrees to be bound by the HESI bylaws as they may be amended from time to time, the HESI Antitrust Statement, HESI Board of Trustees policies, the HESI Code of Ethics, HESI operating practices, and any applicable HESI scientific committee rules, guidelines, and codes of conduct, in the same manner as a full Sponsor. At any time, an Affiliate Sponsor may apply to become a full Sponsor in accordance with the requirements set forth in this Article and any further requirements established by the Board of Trustees.

5(d). An Affiliate Sponsor may voluntarily withdraw or cancel its Affiliate Sponsorship or have its Affiliate Sponsorship revoked in the same manner as provided for withdrawal or revocation of full Sponsorship in Article III, Section 3 of these bylaws.

#### **ARTICLE IV: BOARD OF TRUSTEES**

SECTION 1. The managing body of HESI shall be the HESI Board of Trustees. The number of trustees of HESI shall be no less than fifteen (15) and no more than thirty-one (31) and may be increased or decreased from time to time by amendment to the bylaws. The HESI Board of Trustees shall consist of a number of trustees who are affiliated with public sector organizations at least equal to the number of trustees who are affiliated with Sponsors.

SECTION 2. The HESI Board of Trustees shall: (i) supervise, control, and direct the affairs of HESI; (ii) determine policies and changes in such policies; (iii) actively carry out objectives of HESI; (iv) supervise the disbursement of funds; and (v) adopt such rules and regulations for the conduct of its business as shall be advisable. The HESI Board of Trustees may create committees, as it deems appropriate.

SECTION 3. The HESI Assembly shall elect each year, in accordance with Article II, trustees to the HESI Board of Trustees. In the case of vacancies among the trustees, the Nominating Committee of the Board shall propose, and the HESI Assembly shall elect, another trustee to fill the unexpired term. In the event of a tie vote of the HESI Assembly, the Board of Trustees will decide the matter in question by a vote in accordance with Article IV, Section 4.

3(a). Each trustee shall be elected for a term of three (3) years.

3(b). As a general rule, an individual may not serve as a trustee for three (3) consecutive terms. Once an individual departs from the Board of Trustees after serving three consecutive terms, he or she must not have been a member of the Board of Trustees for a period of at least one year before he or she is eligible to be reelected to the Board. This term limit policy does not apply to trustees while they are serving as officers of HESI. Other exceptions to this term limit policy can be made by the Executive Committee, acting in its discretion between meetings of the full Board of Trustees.

3(c). In electing trustees to succeed those trustees whose terms expire, HESI shall endeavor

to achieve staggered terms so that that approximately one-third of the HESI Board of Trustees will be elected each year.

3(d). Any trustee may be removed from office, at any time, by the affirmative vote of a two thirds majority of the Trustees present at a meeting of the Board of Trustees at which there is a quorum.

3(e). Any trustee who fails to attend two, consecutive, regularly scheduled, in person meetings of the HESI Board of Trustees may be removed from the Board at the discretion of the HESI Executive Committee.

SECTION 4. The HESI Board of Trustees may hold meetings, both regular and special, either within or without the District of Columbia at such time and at such place as shall from time to time be determined by the HESI Board of Trustees. Special meetings may be called by the HESI Chair on three (3) days' notice to each trustee. Special meetings shall be called by the HESI Chair or Secretary in like manner and on like notice on the written request of two (2) trustees. A quorum consists of one- third of the HESI Board of Trustees, and the one-third must include at least two elected officers of HESI. Except as otherwise expressly provided by law or these bylaws, the act of a majority of the HESI Board of Trustees present at any meeting at which there is a quorum shall be the act of the HESI Board of Trustees.

SECTION 5. The HESI Board of Trustees shall meet at least annually, at the call of the HESI Chair, on at least thirty (30) days' written notice.

SECTION 6. There shall be an Executive Committee of HESI composed of the officers, the Past Chair and past President for one (1) year immediately following conclusion of their terms as Chair or President, and those members at large elected by the HESI Board of Trustees. The Executive Committee shall have all the powers of the HESI Board of Trustees to transact business and routine affairs between meetings, but it may not take extraordinary actions. All transactions of the Executive Committee shall be reported in full at the next regularly scheduled meeting of the HESI Board of Trustees. The at-large members of the Executive Committee shall be elected by the HESI Board of Trustees at their annual meeting for a term of one (1) year each.

SECTION 7. The Executive Committee shall consist of a number of public trustees (as defined in Article III, Section 3) at least equal to the number of Executive Committee members who are representatives of Sponsors.

## **ARTICLE V: OFFICERS**

SECTION 1. The officers of HESI shall be elected by and from the HESI Board of Trustees and may include a Chair of the HESI Board of Trustees, a President, a Vice Chair, a Vice President, a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this article. In addition, the Executive Director shall be an unelected officer of the organization and an *ex officio*, nonvoting member of the HESI Board of Trustees and the Executive Committee.

SECTION 2. All officers except the Executive Director shall be elected by the HESI Board of Trustees and shall serve for a term of two (2) years, or until either they are re-elected or their successors are elected and qualified. Any vacancy occurring in any office of HESI shall be filled by the HESI Board of Trustees.

SECTION 3. The Chair of the HESI Board of Trustees shall have such duties as are assigned by the HESI Board of Trustees, and shall preside at all meetings of the HESI Board of Trustees and Executive Committee.

SECTION 4. The Vice Chair shall have such duties as are assigned by the Chair and HESI Board of Trustees, and shall assist the Chair as he or she may require. The Vice Chair shall perform all duties of the Chair in the event of the latter's absence, disability, refusal to act, or resignation until such time as the Chair resumes the duties of his office or a successor is elected and qualified to serve out the remaining term of the incumbent Chair. In such event, authority shall pass to the Vice Chair. Upon the expiration of the term of the incumbent Chair, the Vice Chair will ascend to the position of Chair and commence a new two-year term as Chair.

SECTION 5. The President, in partnership with the Executive Director, serves as the primary liaison between the Assembly and the Board on matters of scientific strategy and organizational mission.

SECTION 6. The Vice President shall assist the HESI President as he or she may require. The Vice President shall perform all duties of the President in the event of the latter's absence, disability, refusal to act, or resignation until such time as the HESI President resumes the duties of his office or a successor is elected and qualified to serve out the remaining term of the incumbent President. In such event, authority shall pass to the Vice President. Upon the expiration of the term of the incumbent President, the Vice President will ascend to the position of President and commence a new two-year term as President.

SECTION 7. The offices of HESI President and Chair of the HESI Board of Trustees may be held by individuals affiliated with either a Sponsor or a public sector organization. However, the offices of HESI President and Chair of the Board must be divided between one individual affiliated with a Sponsor and one individual affiliated with a public sector organization. Both offices may not simultaneously be held by persons affiliated with only Sponsors or with only public sector organizations. However, the foregoing rule does not prohibit the temporary holding of both offices by individuals affiliated with the same type of entity if this situation results from the Vice Chair's temporary assumption of the office of Chair, or from the Vice President's temporary assumption of the office of President, due to the absence, disability, refusal to act, or resignation of the incumbent officer.

SECTION 8. The positions of President and Chair shall alternate between individuals affiliated with a Sponsor and individuals affiliated with a public sector organization. Thus, for example, if the incumbent President is affiliated with a Sponsor, the incumbent Vice President should be affiliated with a public sector entity, so that when the Vice President succeeds to the office of

President, the sectoral affiliation of the incoming President is different from that of the outgoing President. Similarly, if the incumbent Chair is affiliated with a public sector organization, the incumbent Vice Chair should be affiliated with a Sponsor, so that when the Vice Chair succeeds to the office of Chair, the sectoral affiliation of the incoming Chair is different from that of the outgoing Chair.

SECTION 9. The Secretary shall: (i) ensure the creation, retention, and accuracy of all Board records; (ii) serve on the Board Executive Committee; and (iii) assume responsibilities of the Chair in the absence of the Board Chair or Vice-Chair.

SECTION 10. The Treasurer shall: (i) ensure the appropriate oversight of funds for HESI; (ii) ensure that funds are collected and deposited in such banks or depositories, or invested, as may be approved by the HESI Board of Trustees; and (iii) ensure that disbursements are made as ordered by the HESI Board of Trustees. He or she shall render to the Assembly and the HESI Board of Trustees, at their regular meetings or when either of those bodies requires, an account of all HESI financial transactions as well as an account of the financial condition of HESI. The Treasurer shall also notify the HESI Board of Trustees of Sponsors that are in arrears in dues or other assessments.

SECTION 11. Any officer of HESI, elected or appointed, may be removed by the HESI Board of Trustees whenever, in its judgment, the best interests of HESI will be served by such removal.

#### **ARTICLE VI: NOMINATING COMMITTEE**

SECTION 1. The HESI President shall appoint a Nominating Committee, consisting of up to five (5) members of the HESI Board of Trustees, one of whom shall be Nominating Committee Chair, to nominate candidates for trustees of HESI; officers (Chair of the Board, President, Vice Chair, Vice President, Secretary, and Treasurer) of HESI; the at-large members of the Executive Committee of HESI. The Nominating Committee shall be composed of a number of public trustees (as defined in Article III, Section 3) at least equal to the number of trustees who are representatives of Sponsors. The Nominating Committee, which shall be appointed at least six (6) months prior to the annual meeting, shall, after seeking formal input and endorsement of the full HESI Board of Trustees, nominate a full slate of candidates to fill the vacant positions. The slate shall be presented to the Assembly for a vote as provided in Article II, Section 3. The Nominating Committee shall report to the HESI Board of Trustees and HESI Assembly at their annual meetings its nominations for trustees, officers, and the at-large members of the Executive Committee. In selecting candidates, the Nominating Committee shall be guided by all applicable HESI requirements, as the case may be, including the requirement that the HESI Board of Trustees and the Executive Committee consist of a number of trustees affiliated with public sector organizations that is at least equal to the number of trustees who are affiliated with Sponsors.

#### **ARTICLE VII: EXECUTIVE DIRECTOR**

SECTION 1. The HESI Board of Trustees may employ a salaried staff head who shall have the title of HESI Executive Director and whose terms or conditions of employment shall be specified by the HESI President, in consultation with the HESI Board of Trustees.



SECTION 2. The HESI Executive Director shall report to and be responsible to the HESI President and HESI Chair. The HESI Executive Director shall manage and direct the activities of HESI, including the development of proposals for the scientific programs of HESI, in consultation with the HESI Board of Trustees, Emerging Issues Committee, and Assembly. The HESI Executive Director shall: (i) employ and may terminate the employment of staff necessary to carry on the work of HESI; (ii) fix the compensation of such employees within HESI's salary administration plan, guidelines, and approved HESI budget; and (iii) define the duties of such staff, supervise their performance, establish their titles, and delegate those responsibilities of management as shall be in the best interests of HESI.

### **ARTICLE VIII: EMERGING ISSUES PROPOSAL SOLICITATION PROCESS AND COMMITTEE**

SECTION 1. The HESI Board of Trustees shall establish an Emerging Issues Proposal Solicitation Process for the purposes of polling the Sponsors, government and academic scientists, and other interested experts in the international scientific community on emerging health and environmental science issues. Using feedback derived from the Emerging Issues Proposal Solicitation Process, the Emerging Issues Committee, composed of both public (as defined in Article III, Section 3) and industry scientists, may establish Emerging Issues subcommittees to further evaluate the issues and to make recommendations to the HESI Assembly regarding further study or action; fund limited activities to address issues, as appropriate; and recommend to the HESI Board of Trustees the elevation of Emerging Issues subcommittees to scientific committee status.

SECTION 2. There shall be an Emerging Issues Committee composed of a Chair, a Vice Chair, a Past Chair, and Science Advisors elected from the public sector and Sponsors. The Committee shall consist of a number of Science Advisors affiliated with public sector organizations that is at least equal to the number of Science Advisors who are affiliated with Sponsors. The number of Emerging Issues Committee members shall be no less than fifteen (15) and no more than thirty-one (31) and may be increased or decreased from time to time by amendment to the bylaws. The Emerging Issues Chair, Emerging Issues Vice Chair, Past Emerging Issues Chair, and Science Advisors will each have a single vote in determining the recommendations of the Committee.

SECTION 3. An Emerging Issues Committee Chair and Vice Chair shall be identified and elected in accord with HESI's commitment to tripartite engagement and must include, but may not be limited to, the participation of individuals affiliated with public sector organizations. The Emerging Issues Chair shall preside at all Emerging Issues Committee meetings during his or her term of office. The Emerging Issues Vice Chair shall assist the Emerging Issues Chair with all duties and responsibilities, as appropriate. The Past Emerging Issues Chair shall be responsible for transitioning leadership to and assisting the Emerging Issues Chair. The Emerging Issues Chair and Emerging Issues Vice Chair shall serve consecutive one (1)-year terms in each of those leadership roles. The Past Emerging Issues Chair shall serve a one (1)-year term immediately following conclusion of his or her term as Emerging Issues Chair.

SECTION 4. Emerging Issues Committee Science Advisors shall be composed both of individuals

affiliated with public sector organizations and individuals affiliated with Sponsors, who shall serve three (3)-year terms, with potential for re-election.

SECTION 5. Emerging issues subcommittees established by the Emerging Issues Committee shall be funded by Sponsors' dues and shall have a fixed budget and duration.

SECTION 6. For the limited purpose of participating in an Emerging Issues subcommittee, at the discretion of the members of the subcommittee, any company that is eligible for HESI Sponsorship but has not become a Sponsor may participate in the activities of one Emerging Issues subcommittee. This privilege is limited to one (1) year, after which time the non-Sponsor participant must become a Sponsor in order to continue participating in the Emerging Issues subcommittee activities. Further, this one (1)-year privilege requires non-Sponsor participants to comply with all subcommittee requirements, as well as any financial assessments imposed by the HESI Board of Trustees.

SECTION 7. The Emerging Issues Committee shall submit a report of the activities of the Emerging Issues subcommittees at the annual meetings of the HESI Board of Trustees and HESI Assembly.

## **ARTICLE IX: SCIENTIFIC COMMITTEES**

SECTION 1. The HESI Board of Trustees shall establish scientific committees that will investigate matters pertaining to human or environmental health or safety, develop and address scientific questions, ultimately make the findings/conclusions of the project work available in the public scientific domain, and assume such other duties as may be assigned by the HESI Assembly or the HESI Board of Trustees. A scientific committee may be established on the initiative of the HESI Board of Trustees or be based on a proposal submitted through the Emerging Issues Proposal Solicitation Process or by a tripartite assembly of experts (including individuals affiliated with Sponsors and individuals affiliated with public sector organizations). Participation in a scientific committee will ordinarily be open to all active Sponsors of HESI, scientists affiliated with public sector organizations, and other technical experts who have a good faith interest in the mission and objectives of the scientific committee and who are willing to serve as active participants. Each scientific committee shall establish its own nondiscriminatory standards for engagement and its own scientific program that is consistent with the mission of the committee as approved by the Board of Trustees upon its initiation.

SECTION 2. Each scientific committee and Emerging Issues subcommittee shall be led by Co-Chairs and/or a Steering Group (collectively "Committee Leaders"). Committee Leaders of a scientific committee shall be elected by the committee participants and shall be responsible to the HESI Board of Trustees for the management of the committee. Committee Leaders shall be identified in accord with HESI's commitment to tripartite engagement and must include, but may not be limited to, participation by scientists affiliated with public sector organizations.

SECTION 3. Each scientific committee shall be responsible for all expenses it may incur and for obtaining the funds necessary to meet those expenses. Funds shall normally be obtained by means

of an assessment of the Sponsor participants in such scientific committees, devised according to a formula adopted by that committee and approved by the HESI Board of Trustees. Such assessment shall then be imposed upon committee Sponsors. Funds may also be drawn from other contributors including government, academic, or charitable sources.

SECTION 4. The Committee Leaders and assigned HESI staff shall preside at all meetings of the committee and see to the carrying out of all orders and resolutions of the HESI Assembly and the HESI Board of Trustees pertaining to the committee. In consultation with the other members of the scientific committee or Emerging Issues subcommittee, the Committee Leaders and the designated HESI staff shall: (i) ensure that the engagement in all Committee activities and projects is consistent with HESI's commitment to tripartite to the extent possible; (ii) appoint observers to the committee as appropriate; (iii) determine who may participate in the work of the committee as may be appropriate and consistent with the purposes of the committee; and (iv) manage the dissemination of information produced by the committee as is consistent with policies of HESI regarding the dissemination of information.

SECTION 5. For the limited purpose of participating in a scientific committee, at the discretion of the committee participants, any company that is eligible to be a HESI Sponsor but has not become a Sponsor may participate in the activities of one scientific committee. This privilege is limited to one (1) year, after which time the non-Sponsor participant must become a HESI Sponsor in order to continue participating in the scientific committee activities. Further, this one (1)-year privilege requires non-Sponsor participants to comply with all committee requirements, including financial assessments imposed by such committee.

SECTION 6. Each scientific committee shall submit a report of the committee's operational activities at the annual meeting of the HESI Assembly and shall submit a report on the scientific achievements and objectives of the committee to be reviewed on a periodic basis by the Board. Each scientific committee shall also submit a report of its operational and financial activities at the annual meeting of the HESI Board of Trustees, at which time the HESI Board of Trustees shall approve the committee's budget.

SECTION 7. Scientific committees shall operate according to the general policies, procedures, and guidelines of HESI.

## **ARTICLE X: FINANCE COMMITTEE**

SECTION 1. The HESI Board of Trustees shall appoint a Finance Committee, consisting of at least three (3) trustees, one of whom shall be the Treasurer. The Treasurer shall serve as Chair of the Finance Committee. Each trustee on the Finance Committee shall be free from any relationship that, in the opinion of the HESI Board of Trustees, would interfere with the exercise of his or her independent judgment as a participant on the Committee. Among other relevant matters, trustees on the Finance Committee should be able to understand financial statements, evaluate accounting firm bids to undertake auditing, and make sound financial recommendations to the HESI Board of Trustees.

SECTION 2. The Finance Committee shall have the following responsibilities: (i) to provide the HESI Board of Trustees with accurate and transparent statements of HESI's finances in order that the HESI Board of Trustees may have the information needed to make its decisions; (ii) to review and present for approval by the HESI Board of Trustees all investment strategies and policies for HESI; (iii) to review and present for HESI Board of Trustees' approval the annual budget for HESI; (iv) to review HESI's annual financial statements and reports, including the compliance of HESI's accounting and financial management systems and reports with generally accepted accounting principles for nonprofit organizations; (v) to review and present for HESI Board of Trustees' approval HESI's cash reserve usage policies; (vi) after consulting with the Chief Financial Officer of HESI, to review and recommend to the HESI Board of Trustees the independent auditors to be selected to audit the financial statements; (vii) to review and forward to the HESI Board of Trustees communications of the external auditors, with such comments of its own as may be appropriate; (viii) to periodically review HESI's system of internal controls, including its risk management systems, and make recommendations to the HESI Board of Trustees for changes it considers desirable; and (ix) to carry out such other functions and activities as may be assigned to the Committee by the HESI Board of Trustees.

#### **ARTICLE XI: COMPENSATION COMMITTEE**

SECTION 1. There shall be a Compensation Committee consisting of four trustees, none of whom shall have a conflict of interest with respect to the review and determination of the compensation of HESI employees. In the absence of a conflict of interest, the Compensation Committee shall be composed of the President, the Vice President, the Treasurer, and the Chair of the HESI Board of Trustees. Should one of the foregoing trustees have a conflict of interest, the independent trustees on the committee shall appoint a substitute. The Compensation Committee shall review the compensation of the Executive Director and such other employees of HESI the Compensation Committee determines appropriate annually, and whenever a modification in compensation is proposed. The review shall include an evaluation of the performance of the employees and an analysis of appropriate comparability data. Based on its review, the Compensation Committee shall decide just and reasonable compensation amounts for the employees. At the request of the Chair of the HESI Board of Trustees, the Compensation Committee shall review any issue involving staff compensation and benefits.

SECTION 2. The Compensation Committee shall document adequately and in a timely manner the basis for its determinations concurrently with making those determinations. Such documentation shall consist of written or electronic records of the Compensation Committee (such as meeting minutes), which must note the following: (i) the terms of the transaction and the date it was approved; (ii) the trustees on the Compensation Committee who participated in the transaction that was approved, and those who voted on it; and (iii) the comparability data obtained and relied upon and how the data were obtained.

#### **ARTICLE XII: LEGAL COUNSEL**

SECTION 1. HESI shall be represented by qualified legal counsel who shall be retained by the HESI's Executive Director with the approval of the HESI Board of Trustees. Legal counsel shall

render those legal services as are required by a charitable, scientific, and educational foundation organized within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as well as such other legal advice and services as may be requested by the HESI President, HESI Chair, HESI Executive Director and HESI staff, and/or the HESI Board of Trustees.

### **ARTICLE XIII: FISCAL YEAR**

SECTION 1. The fiscal year of HESI shall begin on the first day of January of each year.

### **ARTICLE XIV: BUDGET**

SECTION 1. Each year, at the annual meeting of the HESI Assembly, the HESI Board of Trustees shall present the HESI budget to the HESI Assembly for informational purposes only. The HESI Board of Trustees shall approve and adopt such budget at the start of each fiscal year.

### **ARTICLE XV: DUES AND FINANCES**

SECTION 1. The HESI Board of Trustees shall determine the amounts of the annual dues, initiation fees, and other assessments charged to Sponsors as well as the times and conditions for the payment of such dues, fees, and assessments.

### **ARTICLE XVI: PROCEDURE**

SECTION 1. Procedure shall be governed by such rules as the HESI Board of Trustees may from time to time adopt. In the absence of the trustees adopting any such rules, the officer presiding at the meeting shall rule on matters of procedure.

### **ARTICLE XVII: AMENDMENTS**

SECTION 1. These bylaws may be altered, amended, or repealed or new bylaws may be adopted at any regular or special meeting of the HESI Board of Trustees upon an affirmative vote of three-fourths of the trustees present at any meeting of the HESI Board of Trustees at which there is a quorum. If any alteration, amendment, repeal, or addition of new bylaws is to be made at a special meeting of the HESI Board of Trustees, notice of such alteration, amendment, repeal, or addition shall be contained in the notice of such special meeting.

### **ARTICLE XVIII: INDEMNIFICATION**

SECTION 1. HESI shall indemnify any trustee, officer, employee, agent, or volunteer, or any person who may have served at its request as a trustee, officer, employee, agent, or volunteer of another corporation, whether for profit or not for profit, against expenses actually and necessarily incurred by him in connection with the defense of any action, suit, or proceeding in which he is made a party by reason of being or having been such trustee, officer, employee, agent, or volunteer, except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of a duty. Such indemnification shall

not be deemed exclusive of any other rights to which such trustee, officer, employee, agent, or volunteer may be entitled, under any bylaw, agreement, vote of the HESI Board of Trustees, or otherwise.

SECTION 2. The HESI Board of Trustees may authorize the purchase of insurance on behalf of any trustee, officer, employee, agent, or volunteer against any liability asserted against or incurred by him that arises out of such person's status as a trustee, officer, employee, agent, or volunteer or out of acts taken in such capacity, whether or not HESI would have the power to indemnify the person against that liability under law.

SECTION 3. If any part of this article shall be found in any action, suit, or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

### **ARTICLE XIX: DISSOLUTION**

SECTION 1. Upon the dissolution of HESI, the HESI Board of Trustees shall, after paying or making provision for the payment of all the liabilities of HESI, dispose of all the assets of HESI exclusively for the purposes of HESI in such manner, or to such organization(s) organized and operated exclusively for the purposes as shall at the time qualify as an exempt organization(s) under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law, as the HESI Board of Trustees shall determine. Any such asset not so disposed of shall be disposed of by the appropriate court for the District of Columbia, exclusively for such purposes or to such organization(s) as said court shall determine.