

AMERICAN NATIONAL STANDARDS INSTITUTE

Constitution and By-Laws

Draft Amendment of 2014

REVISED BY-LAWS

AMERICAN NATIONAL STANDARDS INSTITUTE, INCORPORATED

ARTICLE I

Name and Purposes

Section 1.01 Name. The name of the corporation is the American National Standards Institute, Incorporated. The corporation shall hereafter be referred to in these By-Laws as the Institute.

Section 1.02 Purposes. The purposes of the Institute shall be:

(1) To serve as the national coordinating institution for voluntary standards, conformity assessment and related activities in the United States of America through which organizations concerned with such activities may cooperate in establishing, improving and recognizing standards, based on a consensus of parties-at-interest, and conformity assessment programs to the end that such activities remain dynamically responsive to national needs; that duplication of work is avoided; and that individual enterprise and initiative are encouraged;

(2) To represent the interests of the United States of America in international non-treaty standards and conformity assessment organizations in which the Institute is a member or otherwise affiliated;

(3) To further voluntary standards and conformity assessment activities as a means of (a) advancing the national economy; (b) benefiting the public health, safety, welfare and environment; and (c) facilitating domestic and international trade, commerce, communications and understanding;

(4) To assure that the interests of the public have appropriate protection, participation and representation in standardization, conformity assessment and related activities;

(5) To provide the means for determining the need for new standards and conformity assessment programs; to promote activity by existing organizations competent to resolve the need; and to work toward establishment of suitable groups for these purposes where such do not already exist;

(6) To establish, promulgate and administer procedures and criteria for the recognition and approval of standards as American National Standards so as to encourage accredited standards developers to prepare and submit standards for such approval by the Institute;

(7) To establish, promulgate and administer procedures and criteria for accreditation of conformity assessment programs and to encourage organizations to prepare and submit such programs for accreditation by the Institute;

(8) To cooperate with departments and agencies of federal, state and local governments in achieving (i) optimum compatibility between government laws and regulations and the voluntary standards of industry and commerce; (ii) maximum common usage of American National Standards; and (iii) broader cooperation between government and industry on conformity assessment;

(9) To promote knowledge and use of American National Standards and conformity assessment programs; and

(10) To serve as a clearinghouse for information on standards, conformity assessment and related activities in the United States of America and abroad.

Section 1.03 Limitation. In seeking to fulfill the purposes set forth in Section 1.02 of these By-Laws, the Institute itself shall neither develop standards nor conduct certification programs.

ARTICLE II

Members and Membership Meetings

Section 2.01 Categories of Members. The Members of the Institute shall be divided into the following six categories: organizational, government, company, educational, international and individual, as defined in Sections 2.01.1 - 2.01.6 below, and such other categories as the Board of Directors shall from time to time create.

Section 2.01.1 Organizational Member. An organizational member shall be a not-for-profit scientific, technical, professional, labor, consumer, trade or other association or organization that is involved in standards, conformity assessment or related activities.

Section 2.01.2 Government Member. A government member shall be a department, authority or agency of the United States government or of any State, interstate, regional or local government, interested in the work of the Institute.

Section 2.01.3 Company Member. A company member shall be a corporation, partnership or other entity that is created under the laws of the United States or any State thereof and that is engaged in industrial or commercial enterprise or professional, educational, research, testing or trade activity.

Section 2.01.4 Educational Member. An educational member shall be a domestic not-for-profit institution of higher learning, not otherwise eligible for membership, that is interested in the development of voluntary standards.

Section 2.01.5 International Member. An international member shall be an entity that is engaged in the activities of an organizational, company or educational member but that is not created under the laws of the United States or any State thereof.

Section 2.01.6 Individual Member. An individual member shall be a United States citizen interested in the development of standards or related activities, who is not eligible for membership under any other membership category.

Section 2.02 Application and Acceptance. Upon written application to the Institute, an applicant may be admitted to the Institute in a specified category of membership by the vote of the Executive Committee of the Board of Directors present and voting at a duly convened meeting or voting by means of a letter ballot that shall set forth the names of all applicants for membership. In case of disputes concerning category of membership, the Executive Committee of the Board of Directors by such vote shall determine the applicant's appropriate category of membership. By accepting membership in the Institute, each applicant agrees to observe all the provisions of these By-Laws, and to pay promptly all membership fees and charges for special services levied in accordance with these By-Laws and resolutions adopted from time to time by the Board of Directors or the Executive Committee. Each member shall identify a person to serve as its primary membership representative.

Section 2.03 Termination of Membership. Voluntary termination of membership shall be made by notice in writing to the Institute. The Executive Committee of the Board of Directors may, by vote, terminate the membership of any Member for failure to meet membership obligations. Membership may be terminated without action by the Executive Committee of the Board of Directors for failure to pay membership fees within three months of the date of the invoice, provided that a notice of delinquency shall have been given.

Section 2.04 Annual Meeting. An annual meeting of the Members shall be held during the fiscal year at such time and place as may be determined by the Executive Committee or the Board of Directors. The President shall cause a written notice of the time and place of each annual meeting to be mailed or sent electronically to each Member not less than twenty days before such meeting, which notice shall include an agenda of the principal items to be considered. If notice is mailed electronically, such notice shall be given in the manner specified in Section 8.06 of these By-Laws.

Section 2.05 Special Meetings. Special meetings of the Members may be called by: (i) the Chair of the Board of Directors, (ii) the Executive Committee of the Board of Directors, or (iii) the President of the Institute on petition of twenty percent of the members of the Board of Directors, such special meetings to be held at any time and at any place as shall be stated in the written notice of the meeting. Such notice shall provide a statement of purpose of any special meeting as well as an agenda of the principal items to be considered, and no action shall be taken at any special meeting on matters not specified in the agenda. The President shall cause written notice of each special meeting of the Members to be mailed or sent electronically to each Member not less than twenty days before such meeting. If notice is mailed electronically, such notice shall be given in the manner specified in Section 8.06 of these By-Laws.

Section 2.06 Quorum. The presence in person or by proxy of at least one-tenth of the Members of the Institute entitled to vote shall constitute a quorum for the transaction of business at all meetings of Members.

Section 2.07 Voting Rights. Each organizational member, government member, company member, educational member and individual member shall have one vote on matters presented to the Members. International members shall have no vote. Members of any additional categories of membership created by the Board of Directors or the Executive Committee shall not have voting privileges unless expressly provided for by the Board of Directors or the Executive Committee.

Section 2.08 Proxies. A member may authorize another person to act for the member as proxy by providing such authorization in writing or by electronic mail to the person who will be the holder of the proxy, provided that any such authorization by electronic mail must conform to the standards set out in Section 8.07 of these By-Laws.

Section 2.09 Attendance at Meetings of Committees, Councils, Boards and Forums of the Institute. Any Member may attend and observe meetings of councils, boards, committees and forums of the Institute with the prior approval of the Chairs of such councils, boards, committees and forums. Participation in such meetings by observers is at the discretion of the Chairs of such councils, boards, committees and forums.

ARTICLE III

Board of Directors

Section 3.01 Powers and Responsibilities. The activities, property and affairs of the Institute shall be managed and controlled by the Board of Directors (from time to time referred to hereafter as the “Board”) except as otherwise reflected herein or delegated by the Board. In their role as Board members, members of the Board shall act in the best interests of ANSI. In particular, the Board is responsible for:

- (1) Approving the strategic direction of the Institute as reflected in a planning or framework document.
- (2) Approving the annual budget.
- (3) Approving changes to the membership fee structure.
- (4) Approving appointments to Board Committees.
- (5) Approving a decision to employ or discontinue the employment of the President.
- (6) Electing the Board Officers and filling vacancies on the Board.
- (7) Approving the scope of responsibilities of the Board and Institute Committees, Councils and Boards.
- (8) Receiving reports from the Executive Committee.
- (9) Deciding issues and approving policies that would significantly change or affect the strategic direction of the Institute or the federation.

Section 3.02 Composition of the Board of Directors. The members of the Board of Directors shall be elected or shall hold their respective offices as hereinafter provided in these By-Laws. The Board shall consist of the following members:

- (1) The Chair of the Board (*ex officio*);

- (2) The immediate past Chair (*ex officio*);
- (3) Up to four Vice Chairs (*ex officio*);
- (4) The President (*ex officio and non-voting*);
- (5) The Chairs of each of the Forums (*ex officio*);
- (6) The President of the United States National Committee of the International Electrotechnical Commission (*ex officio*);
- (7) The Chair of the Finance Committee (*ex officio*);
- (8) The Chair of the National Policy Committee (*ex officio*);
- (9) The Chair of the International Policy Committee (*ex officio*);
- (10) The Chair of the Conformity Assessment Policy Committee (*ex officio*);
- (11) The Chair of the ANSI Intellectual Property Rights Policy Committee (*ex officio*);
- (12) The Chair of the ANSI ISO Council (*ex officio*);
- (13) Up to thirty-three Directors-at-Large nominated by the Board Nominating Committee.

Section 3.03 Nomination of Directors. On or before June 1 of each year, the Board shall seek to appoint a Nominating Committee that has a diversity of representatives and balance of interests, of not less than five members of the Board of Directors, subject to the approval of the Board of Directors. The Board shall seek to appoint individuals whose current terms of office are not expiring at the end of the year such that they may be candidates for one or more open positions on the Board. In the event that a member of the Nominating Committee is identified as a possible candidate for a position on the Board, such member shall immediately resign from the Nominating Committee. The Nominating Committee shall submit nominations to the President on or before October 20 for Directors-at-Large, all of whom must meet the criteria for Board membership set forth in Section 3.04. In making its decisions on nominations, the Nominating Committee shall attempt to ensure Board diversity and balance. In addition to the nominations proposed by the Nominating Committee, nominations for a Director-at-Large position of a person or persons meeting the criteria set forth in Section 3.04 may be made by petition of four or more directors or by written petition of ten or more voting Members of the Institute. All such nominations by petition and documentation evidencing consistency with the criteria and guidelines referred to in section 3.04 must be submitted in writing to the President not later than October 15. The terms of the thirty-three Director-at-Large positions on the Board shall be staggered so that no more than eleven such positions expire at the end of any given calendar year.

Section 3.04 Criteria for Board Membership and Selection Guidelines. In order to be eligible for membership on the Board, except for candidates who are individual members or employed by a government entity, a candidate must be a corporate officer or have a letter from a

corporate representative stating that the company or organization is prepared to and will support the candidate in connection with that person's service on the ANSI Board of Directors. The Chairs of the Company Member Forum, the Organizational Member Forum, the Government Member Forum, and the Consumer Interest Forum, and the President of the United States National Committee of the IEC, also must meet the criteria for Board membership set forth in this section. A Board member shall be employed by or represent a member of the Institute unless the Board or Executive Committee specifically grants an exception. In addition, the Executive Committee shall establish and annually review guidelines to assist the Nominating Committee in its selection process. In such guidelines, the Executive Committee will address issues such as needed expertise, background, leadership skills, willingness to participate actively, inter-organizational relationships, and seek to ensure overall diversity of representatives and balance of interests on the Board. Such guidelines and any proposed modifications thereto shall be reviewed and approved by the Board.

Section 3.05 Election. The Directors-At-Large shall be elected at the annual meeting by a plurality of all Members entitled to vote. A notice and proxy containing all of the nominations for directors made pursuant to Section 3.03 shall be given to all voting Members by mail to the last known address or by email in the manner specified in Section 8.06 of these By-Laws on or before November 1, and all proxies returned to the Institute on or before the annual meeting shall be counted. Alternatively, any voting Member may cast his or her vote in person at the annual meeting.

Section 3.06 Term. Each of the Directors-at-Large specified in Section 3.03 shall serve for a term of three years. Each such director may serve for a maximum of two full consecutive terms as a Director-at-Large.

Section 3.07 Vacancies. If the Board Nominating Committee determines that it is appropriate to fill a vacancy in one or more Director-at-Large positions, it shall submit to the Board nominations of one or more candidates meeting the requirements for Board membership specified in Section 3.04. Such vacancies shall be filled, if at all, by the vote of the majority of the Board of Directors. Directors so elected shall serve for the balance of the unexpired term or terms.

Section 3.08 Resignation. A director may resign at any time by giving written notice to the Chair of the Board, with a copy to the President.

Section 3.09 Meetings. Regular meetings of the Board of Directors shall be held at least once each year upon not less than fourteen days' notice by the President or that person's appointee, which notice shall contain the time and place of such meeting. Special meetings of the Board of Directors may be called by: (i) the Chair of the Board, (ii) the Executive Committee of the Board or (iii) the President on petition of twenty percent of the members of the Board of Directors. Notice of the time, place and purpose of special meetings of the Board of Directors shall be provided by the President or that person's appointee via mail, fax, electronic means or delivery in person to each member of the Board of Directors at least seven days before the meeting. An agenda of the principal items to be considered at any meeting of the Board shall be distributed in advance of the meeting.

Section 3.10 Remote Participation in Meetings. With the approval of the Chair of the Board, any one or more directors who are not physically present at a regular and special meeting of the Board of Directors may participate by means of conference telephone or similar communications equipment or by electronic video screen communication. Participation by such means shall constitute presence in person at a meeting as long as all persons participating in the meeting can hear each other at the same time and each director can participate in all matters before the board, including, without limitation, the ability to propose, object to, and vote upon a specific action to be taken by the Board.

Section 3.11 Waiver of Notice. Whenever notice of any meeting of the Board of Directors is required to be given to any director, a waiver of notice submitted by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice. Such waiver of notice may be written or electronic. If written, the waiver must be executed by the director signing such waiver or causing his or her signature to be affixed to such waiver by any reasonable means including but not limited to facsimile signature. If electronic, the waiver must conform to the standards set out in Section 8.07 of these By-Laws. The President shall cause such waiver to be filed with the records of the meeting. The attendance of any director at a meeting, without objecting to the lack of proper notice, prior to or at the commencement of the meeting, shall be deemed to be a waiver by the director of notice of such meeting.

Section 3.12 Quorum. The presence of two-fifths of the members of the Board of Directors shall constitute a quorum at any meeting of the Board.

Section 3.13 Required Vote. Except as otherwise provided in these By-Laws, the vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board. A director serving in more than one capacity on the Board shall have only one vote.

Section 3.14 Action Without Meeting. Consent by all directors to any action taken or to be taken by the Institute shall authorize and validate such action as though it had been authorized at a meeting of the Board of Directors. Such consent may be written or electronic. If written, the consent must be executed by the director signing such consent or causing his or her signature to be affixed to such consent by any reasonable means including but not limited to facsimile signature. If electronic, the transmission of the consent must conform to the standards set out in Section 8.07 of these By-Laws.

ARTICLE IV

Board and Corporate Officers

Section 4.01 Number of Board Officers and Qualifications. The Board Officers of the Institute shall be: the Chair of the Board, the Vice Chairs, the Past Chair and the President (without a vote).

Section 4.02 Nomination, Election and Term of Office. The Nominating Committee selected in accordance with Section 3.03 shall submit annually, to the Board of Directors, nominations for the offices of the Chair of the Board and at least one Vice Chair. The Board of

Directors shall elect the Chair of the Board and at least one Vice Chair at the last regular or special meeting of the Board held prior to the end of the fiscal year. The Chair of the Board shall serve for a term of one year. Each Vice Chair shall serve for a term of two years or until that person's successor is elected. The Chair of the Board may serve for a maximum of three full consecutive terms, and the Vice Chairs for a maximum of two full consecutive terms. The Past Chair is an *ex officio* Board Officer. The terms of each Board Officer shall commence at the beginning of the fiscal year.

Section 4.03 Vacancies. A vacancy in the office of Chair of the Board shall be filled by one of the Vice Chairs chosen by the Board of Directors for the balance of the unexpired term. Vacancies in the offices of Vice Chairs shall be filled by the Board of Directors from among its members for the balance of the unexpired term or terms.

Section 4.04 Chair of the Board, Past Chair and Vice Chairs: Powers and Duties. The Chair of the Board shall preside at all meetings of the Board of Directors, shall have general supervision and control of the Board of Directors, and shall also perform such other duties as may properly belong to the office or as shall be prescribed from time to time by the Board of Directors. The Past Chair and Vice Chairs shall assist the Chair in carrying out these responsibilities and may serve as Chairs for the Board Committees or Institute Policy Committees described in Articles V and VI of these By-Laws.

Section 4.05 President: Powers and Duties. The Board of Directors shall designate a chief corporate officer and executive, whose title shall be President and Chief Executive Officer and who shall serve as chief executive officer of the Institute at the pleasure of the Board. The President shall devote his or her full time to the affairs of the Institute, unless otherwise authorized by the Board. The President may be removed, with or without cause, by the Board of Directors. The President shall have the care and custody of all funds and securities of the Institute, subject to the direction and control of the Board of Directors. The President shall keep, or cause to be kept, full and accurate accounts of receipts and disbursements and shall report thereon to the Board of Directors and to the Members of the Institute from time to time, as directed by the Board. The President shall submit annually a planning report to the Board of Directors accompanied by a recommendation by the Executive Committee presenting the anticipated needs of the Institute, including proposed organization changes and financial requirements necessary to improve operating effectiveness.

Section 4.06 Senior Vice Presidents and Vice Presidents: Powers and Duties. The Board of Directors shall approve the positions and duties of the Senior Vice Presidents and Vice Presidents, and the President shall appoint individuals to serve in such positions. The President shall designate which of these corporate officers shall attend meetings of the Board of Directors. The President shall designate one or more of these corporate officers to function as Secretary of the Institute and keep all records of the Institute.

ARTICLE V

RELATED PARTY TRANSACTIONS

Section 5.01 Definitions. A related party transaction is any transaction, agreement or any other arrangement in which a related party has a financial interest and in which the Institute or any affiliate of the Institute is a participant. A related party is (i) any director, officer or key employee of the Institute or any of its affiliates; (ii) the spouse, ancestor, sibling, child, grandchild, great-grandchild, spouse of a sibling, child, grandchild, or great-grandchild, or domestic partner of an individual defined in (i) above; or (iii) an entity in which any of the above individuals has a thirty-five percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent. A substantial financial interest is one that, based on all the facts and circumstances, is determined by the Institute to be financially significant to the related party.

Section 5.02 Procedures for Related Party Transactions. Before the Institute may enter into any related party transaction:

(1) Any director, officer, or key employee who has an interest in a related party transaction shall disclose that interest in good faith to the Board or an authorized committee thereof, and the material facts concerning such interest.

(2) No related party may participate in deliberations or voting relating to the approval of a related party transaction.

(3) The Board or authorized committee thereof must determine that the transaction is fair, reasonable, and in the Institute's best interest.

Section 5.03 Procedures for Substantial Related Party Transactions. Before the Institute may enter into any related party transaction in which a related party has a substantial financial interest:

(1) Any director, officer, or key employee who has a substantial financial interest in a related party transaction shall disclose that interest in good faith to the Board or an authorized committee thereof, and the material facts concerning such interest.

(2) No related party with a substantial financial interest may participate in deliberations or voting relating to the approval of a related party transaction.

(3) The Board or authorized committee thereof must consider alternative transactions to the extent available, determine that the transaction is fair, reasonable, and in the Institute's best interest, and approve the transaction by not less than a majority vote of the directors or committee members present at the meeting.

(4) The Board or authorized committee thereof must contemporaneously document in writing the basis for the board or authorized committee's approval, including its consideration of any alternative transactions.

Section 5.04 Conflict of Interest Policy. All directors and officers shall disclose any potential or actual conflicts of interest pursuant to the Institute's Conflict of Interest Policy which is incorporated into these By-Laws by reference.

ARTICLE VI

COMMITTEES OF THE BOARD

Section 6.01 Committees of the Board. The Board of Directors shall maintain the following committees of the Board: the Executive Committee, the Finance Committee, the Audit Committee and the Compensation Committee. The Board of Directors shall have the power to establish such additional Board Committees as it deems necessary.

Section 6.02 Chair of Board Committees; Notice of Board Committee Meetings; Action Without a Meeting. For each Board Committee, the Chair of the Board shall appoint the Chair of the committee subject to approval by the Board. The Chair of a Board Committee shall serve for one year and shall be eligible to serve for a maximum of three full consecutive terms except that the Chair of the Finance Committee shall serve for two years and shall be eligible to serve for a maximum of two full consecutive terms. A staff member of the Institute designated by the President shall serve as a non-voting secretary of each Board Committee. Notice of the time and place of meetings of any Board Committee shall be given by the secretary, who will also cause an agenda to be distributed reflecting the principal items to be considered. Notice shall be sent by mail or electronic means or by delivery in person to each member of the Board Committee at least seven days before the meeting. Attendance at the meeting shall be deemed waiver of notice. All Board Committees shall have the right to require and receive advice and assistance in the discharge of their activities from members of the Institute who are not members of the Board of Directors. A director who is unable to attend a meeting may appoint an alternate director to attend the meeting in the absence of such director; however, an alternate director shall not have the right to vote. Consent by all members of a Board Committee to any action taken or to be taken by such committee shall authorize and validate such action as though it had been authorized at a meeting of the Board Committee. Such consent may be written or electronic. If written, the consent must be executed by the director signing such consent or causing his or her signature to be affixed to such consent by any reasonable means including but not limited to facsimile signature. If electronic, the transmission must conform to the standards set out in Section 8.07 of these By-Laws. Each Board Committee may establish such additional subcommittees as are considered necessary to accomplish its mission.

Section 6.03 Executive Committee. The Executive Committee shall be composed of:

- (a) The Chair of the Board;
- (b) The immediate past Chair;
- (c) The Vice Chairs;
- (d) The President (*without a vote*);
- (e) The Chairs of each of the Forums;

- (f) The President of the United States National Committee of the International Electrotechnical Commission;
- (g) The Chair of the Finance Committee (if not already a member of the Executive Committee);
- (h) The Chair of the International Policy Committee (if not already a member of the Executive Committee);
- (i) The Chair of the National Policy Committee (if not already a member of the Executive Committee);
- (j) The Chair of the Conformity Assessment Policy Committee (if not already a member of the Executive Committee);
- (k) The Chair of the ANSI Intellectual Property Rights Policy Committee (if not already a member of the Executive Committee);
- (l) The Chair of the ANSI ISO Council (if not already a member of the Executive Committee); and
- (m) Up to three other members of the Board as the Chair of the Board shall appoint from time to time with the approval of the Board of Directors.

The Executive Committee shall be chaired by the Chair of the Board. The Executive Committee has the power to act for the Board of Directors between meetings of the Board to the fullest extent permitted by law, and the Executive Committee shall present a report on any such actions to the Board. Among other things, the Executive Committee shall be responsible for:

(1) Approving all memberships (such as ANSI membership and membership on Institute Policy and Program Committees, Boards, etc.) other than membership on Board Committees.

(2) Approving proposals (including those originating from the Board Committees and Institute Policy and Program Committees, Boards, etc.) except for proposals that in the opinion of the Executive Committee would seriously impact the strategic direction of the Institute and the federation.

(3) Reviewing and approving management's proposals as reflected in a planning or framework document regarding the Strategic Plan before submitting the Plan or any proposed modifications thereto to the Board of Directors for final approval.

The President and the Executive Committee shall report to the Board of Directors on significant actions or proposed future plans that would impact the strategic direction of the Institute.

Section 6.04 Finance Committee. The Finance Committee shall be composed of members of the Board appointed from time to time by the Chair of the Board with the approval of the Board of Directors. The Finance Committee shall maintain a continuing review of the financial affairs of

the Institute and shall make appropriate recommendations to the Board or to the Executive Committee of the Board and shall report to the Board of Directors at each meeting of the Board. The responsibilities of the Finance Committee shall include, but not be limited to, the following:

- (1) Reviewing and providing a recommendation to the Board for the annual budget and the business plan proposed by the President;
- (2) Authorizing investment policy; and
- (3) Authorizing acceptable accounting and disbursement procedures for all funds under jurisdiction of the Institute;

Section 6.05 Audit Committee. The Audit Committee shall be composed of no fewer than three members of the Board, who are not members of the Finance Committee, appointed from time to time by the Chair of the Board with the approval of the Board of Directors. They shall be “Independent Directors,” as defined under the New York Non-Profit Revitalization Act of 2013 to mean “a director who: (I) is not, and has not been within the last three years, an employee of the corporation or an affiliate of the corporation; (II) has not received, and does not have a relative who has received, in any of the last three fiscal years, more than ten thousand dollars in direct compensation from the corporation or an affiliate of the corporation (other than reimbursement for expenses reasonably incurred as a director or reasonable compensation for service as a director as permitted by paragraph (A) of Section 202 (General and Special Powers)); and (III) is not a current employee of or does not have a substantial financial interest in, or received payments from, the corporation or an affiliate of the corporation for property or services in an amount which, in any of the last three fiscal years, exceeds the lesser of twenty-five thousand dollars or two percent of such entity’s consolidated gross revenues. For purposes of this subparagraph, “payment” does not include charitable contributions. The Audit Committee shall maintain a continuing review of the Internal Controls and audit affairs of the Institute and shall make appropriate recommendations to the Board or to the Executive Committee of the Board and shall report to the Board of Directors at each meeting of the Board. The responsibilities of the Audit Committee shall include, but not be limited to, the following:

- (1) Overseeing the ANSI's accounting and financial reporting processes and the audit of ANSI's financial statements;
- (2) Annually retaining an independent auditor and reviewing the auditor's performance;
- (3) Reviewing the scope of audit with the auditor before the audit begins, and reviewing the results of the audit and any related management letter with the auditor;
- (4) Discussing material risks and weaknesses in internal controls identified by auditor;
- (5) Assisting the Board in its oversight and assessment of the adequacy and integrity of ANSI's accounting system, internal controls, financial statements, audit reports, and audit processes; and

(6) Periodic review of internal financial controls, including Board Conflict-of-Interest policies.

Section 6.06 Compensation Committee. The Compensation Committee shall be composed of the Chair of the Board, the immediate past Chair of the Board and the Vice Chairs. The Compensation Committee shall establish and approve the compensation and benefits policies for the President, corporate officers and staff of the Institute on behalf of the Board. Where appropriate, the Compensation Committee shall follow the applicable provisions of Article V in establishing and approving the compensation and benefits of directors, officers, and key employees. The responsibilities of the Compensation Committee shall include, but not be limited to, the following:

- (1) Reviewing periodically and approving changes as required to the compensation and benefit policies for the corporate officers and staff of the Institute;
- (2) Evaluating annually the performance of the President and establishing an appropriate compensation and benefits schedule for the President; and
- (3) Reviewing and approving other policies concerning employee compensation and benefits.

ARTICLE VII

COMMITTEES, COUNCILS AND BOARDS OF THE INSTITUTE

Section 7.01 Committees, Councils and Boards of the Institute. The Board of Directors may create committees, councils and boards of the Institute from time to time, and each such committee, council or board so created shall discharge the responsibilities (a) established by the Board of Directors, (b) set forth below and (c) reflected in operating procedures approved by the Board or the governance body to whom the Institute Committee or Council reports.

Institute Policy Committees and Councils

Section 7.02 Institute Policy Committees and Councils Generally. Each Institute Policy Committee and Council shall report to the Executive Committee of the Board; however, any issues or proposed policies that would significantly change or affect the strategic direction of the Institute shall be presented to the Board of Directors for final approval.

Section 7.02.1 Membership. Voting members of all Institute Policy Committees and Councils shall be appointed by the Chair of the Board with the approval of the Executive Committee. In making these appointments, the Chair of the Board shall endeavor to ensure that such voting members are affiliated with all of the membership groups concerned with the activities of that Policy Committee or Council. Membership in the Institute by the entity with which the voting member is affiliated shall be a prerequisite for participation by that individual (unless the Executive Committee specifically permits otherwise). Voting members of all Institute Policy Committees and Councils, however, shall be the individuals themselves, not the entities with which they are affiliated. Each appointment as a voting member of an Institute Policy Committee or Council shall be for a term of three full years with no limits on the number of terms such

member may serve. The terms shall be staggered so that one-third of them expire at the end of each calendar year. All membership terms shall commence on January 1.

Section 7.02.2 Participation. Insofar as possible, any ANSI member expressing interest in the work of an Institute Policy Committee shall be afforded an opportunity, through its designated representative for such Institute Policy Committee, to obtain information and submit comments.

Section 7.02.3 Committee Officers. For each Institute Policy Committee or Council, the Chair of the Board shall appoint the Chair of the Committee or Council subject to approval by the Board. The Chair shall serve for two years and shall be eligible to serve for a maximum of two full consecutive terms. A staff member of the Institute designated by the President shall serve as a non-voting secretary of each Institute Policy Committee and Council.

Section 7.02.4 Notice of Meetings. Notice of the time and place of meetings of any Institute Policy Committee or Council shall be given by the secretary of such committee or council, who will also cause an agenda to be distributed reflecting the principal items to be considered. Written notice shall be sent by mail or electronic means or by delivery in person to each member of the committee or council at least seven days before the meeting. Electronic notice shall be given in the manner specified in Section 8.06 of these By-Laws. Attendance at the meeting shall be deemed waiver of notice.

Section 7.02.5 Committees. Each Institute Policy Committee or Council may establish such additional committees, subcommittees and boards as are considered necessary to accomplish its mission.

Section 7.02.6 Exception. Notwithstanding the foregoing Section 6.02 and its subsections, for the USNC IEC Council, voting membership, election of officers and rules of operation shall be determined in accordance with the USNC Statutes.

Section 7.03 The National Policy Committee (NPC). The National Policy Committee shall be responsible for broad-based policy and position decisions regarding national standards issues and government relations and public policy issues (except as otherwise delegated by the Board to another body or to the extent such decision would significantly change or affect the strategic direction of the Institute or the federation).

Section 7.04 The Conformity Assessment Policy Committee (CAPC). The Conformity Assessment Policy Committee shall be responsible for broad-based policy and position decisions on national, regional and international conformity assessment issues (except as otherwise delegated by the Board to another body or to the extent such decision would significantly change or affect the strategic direction of the Institute or the federation).

Section 7.05 The Intellectual Property Rights Policy Committee (IPRPC). The Intellectual Property Rights Policy Committee shall be responsible for broad-based policy and position decisions regarding national, regional and international intellectual property matters, including the global trade aspects of such matters (except as otherwise delegated by the Board to another body or to the extent such decision would significantly change or affect the strategic direction of the Institute or the federation). The Intellectual Property Rights Policy Committee

shall also be responsible for developing Institute positions on issues relating to the incorporation of essential patents or other proprietary intellectual property in national, regional or international standards and for developing Institute positions relating to exploitation rights to the copyright in standards and the recognition of copyright protection for standards by courts, legislation, regulatory bodies, industry and others.

Section 7.06 The International Policy Committee (IPC). The International Policy Committee shall be responsible for broad-based policy and position decisions on regional and international standards, public policy and related issues that are not exclusively related to either ISO or IEC (except as otherwise delegated by the Board to another body or to the extent such decision would significantly change or affect the strategic direction of the Institute or the federation). The International Policy Committee also shall be responsible for decisions on issues that significantly impact or affect more than one international and/or regional standards body.

Section 7.07 The United States National Committee (USNC) IEC Council. The USNC IEC Council shall, in accordance with the USNC Statutes, be responsible for policy and position decisions relating to the International Electrotechnical Commission (IEC) (except as otherwise delegated by the Board to another body or to the extent such decision would significantly change or affect the strategic direction of the Institute or the federation).

Section 7.08 The ANSI ISO Council. The ANSI ISO Council shall be responsible for policy and position decisions relating to the International Organization for Standardization (ISO) (except as otherwise delegated by the Board to another body or to the extent such decision would significantly change or affect the strategic direction of the Institute or the federation).

Institute Program Oversight Committees

Section 7.09 Institute Program Oversight Committees Generally. Each Institute Program Oversight Committee reports to the governance body that must approve any changes to the Program Oversight Committee's operating procedures. Notwithstanding the foregoing, each Institute Program Oversight Committee shall have the authority to render decisions with regard to participants in the Institute program it is charged to oversee subject only to any possible further appeal pursuant to the applicable appeals procedures.

Section 7.09.1 Membership. Members of all Institute Program Oversight Committees shall be appointed by the Chair of the Board with the approval of the Executive Committee. In making these appointments, the Chair of the Board shall endeavor to ensure representation of all membership groups concerned with the activities of the committee. Membership in the Institute shall be a prerequisite for participation in any Institute Program Oversight Committee unless the Executive Committee specifically permits an interested party to participate in any such committee without becoming a Member of the Institute. Each such appointment shall be for a term of three full years with no person serving more than three full consecutive terms. A member of the Board of Standards Review, the Executive Standards Council, the Appeals Board or an Accreditation Committee may serve beyond the normal three-term limitation if the member is serving as Chair or Vice Chair, provided the term as Chair or Vice Chair is contiguous with the nine year tenure as a member. The total maximum length of

service under such circumstances would be 12 years. All membership terms shall commence on January 1.

Section 7.09.2 Operating Procedures. Each Institute Program Oversight Committee shall have its own operating procedures which shall be consistent with these By-Laws. These operating procedures shall be subject to approval by the committee, council or board to which the Institute Program Oversight Committee directly reports.

Section 7.09.3 Committee Officers. Each Institute Program Oversight Committee shall elect from among its members a Chair and such committee officers as it shall choose, who shall be nominated and elected in accordance with the operating procedures of such committee. The Chair and such other committee officers of the Institute Program Oversight Committees shall serve for one year and shall be eligible to serve for a maximum of three full consecutive terms. A staff member of the Institute designated by the President shall serve as a non-voting secretary of each Institute Program Oversight Committee.

Section 7.09.4 Committees. Each Institute Program Oversight Committee may establish such additional committees, subcommittees and boards as are considered necessary to accomplish its mission.

Section 7.09.5 Notice of Meetings. Notice of the time and place of meetings of any Institute Program Oversight Committee shall be given by the secretary of such council, board or committee, who will also cause an agenda to be distributed reflecting the principal items to be considered. Written notice shall be sent by mail or electronic means or by delivery in person to each member of the council, board or committee at least seven days before the meeting. Electronic notice shall be given in the manner specified in Section 8.06 of these By-Laws. Attendance at the meeting shall be deemed waiver of notice.

Section 7.09.6 Exception. Notwithstanding the foregoing Section 6.09 and its subsections, the United States National Committee of the International Electrotechnical Commission shall conduct itself in accordance with the USNC Statutes.

Section 7.10 The Executive Standards Council (ExSC). Pursuant to procedures and policies approved by the National Policy Committee, the Executive Standards Council shall be responsible for overseeing the accreditation of standards developers and U.S. TAGs to ISO and for other duties that may be delegated to it by the National Policy Committee, the Board of Directors or the Executive Committee.

Section 7.11 The Board of Standards Review (BSR). Pursuant to procedures and policies approved by the National Policy Committee, the Board of Standards Review shall be responsible for the approval and withdrawal of American National Standards, and for other duties that may be delegated to it by the National Policy Committee, the Board of Directors or the Executive Committee.

Section 7.12 The Accreditation Committees for Conformity Assessment Bodies. The Accreditation Committees for Conformity Assessment Bodies shall be responsible for accreditation decisions relating to third-party conformity assessment programs and related

activities of the Institute, and for other duties that may be delegated to them by the Conformity Assessment Policy Committee, the Board of Directors or the Executive Committee.

Section 7.13 The Appeals Board. The Appeals Board shall be responsible for considering all final appeals pursuant to the applicable procedures by directly and materially affected persons who believe that they have been or will be adversely affected by action or inaction by the Institute, provided that such persons shall have first exhausted all other appeals available to them as set forth in procedures approved by the Executive Committee, National Policy Committee or Conformity Assessment Policy Committee. Membership on the Appeals Board shall be determined in accordance with Section 6.09.1 and, in addition, the following special criteria shall be used. The Appeals Board shall have a membership of up to eighteen members. In addition, the resident legal counsel of the Institute, or in that person's absence, outside counsel, shall be an *ex officio*, non-voting member of the Appeals Board.

Section 7.14 United States National Committee of the International Electrotechnical Commission. The responsibility of the Institute for United States representation in the International Electrotechnical Commission ("IEC") and other electrotechnical bodies associated with the IEC has been delegated by the Board of Directors to the United States National Committee of the International Electrotechnical Commission ("USNC"). This responsibility shall be exclusively exercised by the USNC IEC Council subject to the oversight of the Executive Committee or the Board of Directors of the Institute. The USNC IEC Council shall be composed of the officers of the USNC and other members of the USNC duly elected from the USNC by its entire membership and consented to by the ANSI Executive Committee. Appeal of actions taken within the USNC shall be in accordance with the appeals procedures of the USNC. Such appeals shall be subject to further appeal to the ANSI Appeals Board. The responsibilities of the USNC IEC Council shall include, but not be limited to, the following:

- (1) Representing and coordinating the United States involvement in the IEC and other electrotechnical bodies associated with the IEC on behalf of the Institute;
- (2) Recommending to the Finance Committee and the Board of Directors an annual budget to cover IEC-related activities;
- (3) Managing programs and adjudicating disputes arising from authorized USNC activities;
- (4) Coordinating USNC activities with appropriate standards boards to promote consistency between those international and national activities that fall within the scope of the IEC;
- (5) Reporting annually to the Board of Directors on United States participation in IEC activities and coordinating with the International Policy Committee on issues affecting United States interests in more than one international forum; and
- (6) Establishing, as appropriate, Technical Advisory Groups to cover United States participation in IEC activities.

The USNC shall not be dissolved without the consent of the USNC.

The Membership Forums

Section 7.15 Functions of the Membership Forums. The functions of each of the Membership Forums shall include, but not be limited to, the following:

- (1) Provide a forum for discussion and networking by a defined interest category;
- (2) Provide a mechanism for “early warning” of relevant trends;
- (3) Address issues of interest primarily to their membership and galvanize implementation at their constituent level;
- (4) Identify broader-based issues to be addressed by an identified governance body;
- (5) Assume an active role in ANSI membership recruitment and retention; and
- (6) Serve as the one place within ANSI where participants can represent their own organization’s interests.
- (7) Elect their own Chair provided that such person meets the criteria for Board membership set forth in section 3.04.

Section 7.15.2 Organizational Member Forum. The Organizational Member Forum shall consist of one representative from each organizational member.

Section 7.15.3 Government Member Forum. The Government Member Forum shall consist of one representative from each government member. In addition to the functions of the Membership Forums described in Section 6.16, the Government Member Forum shall assist governmental entities in voluntary standards development activities and encourage participation by governmental agencies in the voluntary standards and conformity assessment process.

Section 7.15.4 Company Member Forum. The Company Member Forum shall consist of one representative from each company member.

The Consumer Interest Forum

Section 7.15.5 Consumer Interest Forum. Consumers are defined as those individuals who use goods or services to satisfy their individual needs and desires, rather than to resell them or to produce other goods or services with them (“Consumers”). The Consumer Interest Forum shall be composed of knowledgeable representatives from Consumer organizations, producers, retailers, distributors, industry councils and government. The Consumer Interest Forum shall strive to maintain a reasonable balance among such groups. No more than one Consumer Interest Forum member may be employed by the same company, organization, department or agency. Consistent with available resources, the Consumer Interest Forum shall promote the education of consumers regarding the activities of the Institute, the proper function of standards and standardization and consumer participation in these activities and in the activities of standards developing organizations. The Consumer Interest Forum shall be dedicated to facilitating the representation of consumer interests in the voluntary consensus standards process

and in enhancing the effectiveness and credibility of the Institute. The Consumer Interest Forum shall elect its own Chair provided that such person meets the criteria for Board membership set forth in section 3.04.

Section 7.15.6 Forum Organization and Function Generally.

Section 7.15.6.1 Operating Procedures. Each Forum shall have its own operating procedures which shall be consistent with these By-Laws. These operating procedures shall be subject to approval by the Executive Committee.

Section 7.15.6.2 Forum Officers. Each Forum shall elect from among its members a Chair and such officers as it shall choose, who shall be nominated and elected in accordance with the operating procedures of such Forum. The Chair and such other officers of the Forums shall serve for one year and shall be eligible to serve for a maximum of three full consecutive terms. A staff member of the Institute designated by the President shall serve as a nonvoting secretary of each Forum.

Section 7.15.6.3 Committees. Each Forum may establish such subgroups and ad hoc groups as are considered necessary to further its objectives.

Section 7.15.6.4 Notice of Meetings. Notice of the time and place of meetings of a Forum shall be given by the secretary of such Forum, who will also cause an agenda to be distributed. Written notice shall be sent by mail, electronic means or by delivery in person to each member of the Forum at least seven days before the meeting. Electronic notice shall be given in the manner specified in Section 8.06 of these By-Laws. Attendance at the meeting shall be deemed waiver of notice.

ARTICLE VIII

Financial and Administrative Matters

Section 8.01 Checks, etc. The President and such other corporate officers of the Institute as may be designated by the President may be authorized to sign contracts, checks and other documents.

Section 8.02 Membership Fees and Charges. Membership fees and other charges shall be established by the Board of Directors.

Section 8.03 Institute Services. The Executive Committee or the Board of Directors shall (i) determine regular services, including publications, to which Members shall be entitled; (ii) define those services, facilities and materials that shall be subject to charges by the Institute; and (iii) publicize its decisions with respect to clauses (i) and (ii).

Section 8.04 Gifts and Grants. Acceptance by the Institute of gifts, grants or funds, other than those received for membership fees and services as defined in Sections 8.02 and 8.03, shall be subject to the approval of the Executive Committee or the Board of Directors.

Section 8.05 Use of Assets on Dissolution or Liquidation. Upon dissolution or final liquidation of the Institute, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, shall be distributed in accordance with the determination of the Board of Directors, and in compliance with these By-Laws and all federal and state laws applicable to an organization created and operated under relevant law for similar educational, scientific or charitable purposes.

Section 8.06 Electronic Notice. In any instance where electronic notice is permitted by these By-Laws, such notice shall be considered to have been given when directed to the addressee's electronic mail address as it appears on the record of the Institute or to such other electronic mail address as has been filed with the secretary of the Institute. Notwithstanding the foregoing, such notice shall not be deemed to have been given electronically (1) if the Institute is unable to deliver two consecutive notices to the addressee by electronic mail; or (2) the Institute otherwise becomes aware that notice cannot be delivered to the addressee by electronic mail.

Section 8.07. Consent or Action by Electronic Means. In any instance where electronic consent or action is permitted by these By-Laws, such consent shall be considered to have been given or action considered to have been taken if the email transmission of the consent or action sets forth, or is submitted with information from which it can reasonably be determined that, the consent or action was authorized by the individual to whom the consent or action is attributed.

ARTICLE IX

Indemnification of Directors, Corporate Officers and Others

Section 9.01 Indemnification of Directors and Corporate Officers. The Institute shall indemnify each of its corporate officers and directors to the fullest extent permitted by the applicable laws of the State of New York.

Section 9.02 Indemnification of Employees and Volunteers. Each person who serves as an employee or as a volunteer on any body of the Institute, or who serves voluntarily in any capacity at the express request of the Institute, shall be indemnified by the Institute against expenses reasonably incurred by such person in connection with any action, suit or proceeding to which such person may be made a party by reason of such service; provided, however, that no indemnification shall be made if a judgment or final adjudication establishes that the actions of such person were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that such person gained in fact a financial profit or other advantage to which that person was not legally entitled. Expenses shall include the cost of any reasonable settlement made with a view to curtailing litigation. Any settlement made shall be subject to the approval of the Executive Committee or the Board of Directors.

ARTICLE X

Fiscal Year

Section 10.01 Fiscal Year. The fiscal year of the Institute shall be the calendar year.

ARTICLE XI

Amendments to By-Laws

Section 11.01 Amendments. These By-Laws may be amended either by the Board of Directors or by the Members in accordance with the following procedures.

Section 11.01.1 Amendment by the Board of Directors. The Board of Directors may amend these By-Laws in accordance with the following procedures. Any member of the Board may propose an amendment to the By-Laws. If such proposed amendment is approved by the Board in accordance with the voting procedures set forth in Section 3.13, then such proposed amendment shall be published in an official publication of the Institute, which shall be sent to all Members. During the thirty-day period following such publication, any Member may submit comments to the Board relating to such proposed amendment. Following such thirty day period, the Board may conduct a final vote of the members of the Board of Directors on the proposed amendment. The proposed amendment shall be adopted if it is approved by three-quarters of the entire Board of Directors at a meeting of the Board duly called for the purpose of amending these By-Laws, provided that notice of the proposed amendment has been included in the notice of the meeting.

Section 11.01.2 Amendment by the Members. The Members may amend these By-Laws by the affirmative vote of a plurality of all Members entitled to vote at any regular or special meeting of the Members, provided notice pursuant to Section 3.03 is mailed or sent electronically to the last known regular or electronic address of all voting Members at least thirty days before the meeting. Electronic notice shall be given in the manner specified in Section 8.06 of these By-Laws. All proxies returned to the Institute on or before the meeting shall be counted. Alternatively, any voting Member may cast his or her vote in person at the meeting. Proposals for amendments may be made either by the Board of Directors or by written petition made to the Board by forty or more voting Members of the Institute.

ARTICLE XII

Dispute Resolution

Section 12.01 Parliamentary Procedure. All questions of parliamentary procedure not covered in these By-Laws shall be resolved according to Robert's Rules of Order (latest edition).

Section 12.02 Exhaustion of Remedies. Each Member agrees that if a dispute shall arise between the Member and the Institute, the Member shall in the first instance be obligated to pursue and exhaust all administrative appeals available to it within the Institute.

- - - -