

**BYLAWS
OF
BENEFIT CORPORATION STANDARDS INSTITUTE, INC.**

ARTICLE I

Name, Principal Office, Purpose and Restrictions

- 1.01 *Name.* The name of the Institute is the “Benefit Corporation Standards Institute, Inc.” (the “Institute”), a California nonprofit public benefit corporation organized for public purposes.
- 1.02 *Principal Office.* The Board of Directors (Board) shall determine the location of the principal office of the Institute.
- 1.03 *Purpose.* The specific purpose of the corporation is to promulgate, maintain and disseminate reasonable and meaningful standards of social and environmental benefit for entities whose purposes include having a material positive impact on society and the environment.
- 1.04 *Lobbying.* No substantial part of the activities of the Institute shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided in Subsection (h) of the 501(c)(3) Internal Revenue Code) and the corporation shall not participate in or intervene in (including the publishing or distribution of statement concerning) any political campaign on behalf of, any candidate for public office. Under separate cover, the Board will publish and maintain a procedure governing the Institute’s involvement in lobbying activities consistent with this section.

ARTICLE II

No Members

- 2.01 *Membership.* Notwithstanding any use of the word “members” in these Bylaws or by the Institute, this corporation shall have no members within the meaning of the Corporations Code.

ARTICLE III - Reserved.

ARTICLE IV

Board of Directors

- 4.01 *Board of Directors.* The Board is the Institute's governing body and has authority for the policy direction of the Institute.
- 4.02 *Composition of Board.* The Board shall consist of between five (5) and thirteen (13) voting Directors, as determined within this range from time to time by the Board of Directors. All of the Directors shall be appointed by the succeeding Board of Directors, subject to the requirements of these Bylaws and any written criteria established by the Board.
- 4.03 *Attendance Obligation.* Directors missing three (3) consecutive regular Board meetings may be removed from the Board. Participation by conference call is a recognized form of Board meeting attendance.
- 4.04 *Term of Office.* Director terms shall be three (3) years, or until a successor is appointed and installed.
- 4.05 *Vacancies.* Vacancies may be filled by majority vote of the Board of Directors with or without prior nomination by the Nominating Committee.
- 4.06 *Call to Meetings.* The Chair, Vice-Chair, or any three Directors may call a meeting of the Board.
- 4.07 *Notice.* The Board may hold regular meetings without notice at the time and place for the regular meetings fixed by the Board, and may hold emergency meetings with notice appropriate to the circumstances, if any person authorized to call a meeting determines that an emergency exists and calls an emergency meeting. The Board may hold special meetings upon four days notice by first class mail or 48 hours notice delivered personally or by telephone, telegraph or facsimile.
- 4.08 *Quorum.* A majority of the number of Directors authorized in these Bylaws, constitutes a quorum of the Board for the transaction of business.
- 4.09 *Board Action.* Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board. The Board may adopt rules and regulations which may supplement and interpret these Bylaws and shall be binding and enforceable to the extent they are consistent with the Nonprofit Public Benefit Corporation Law and Section 501(c)(3) of the Internal Revenue Code.
- 4.10 *Strategic Plan.* The Board shall support the development of and approve long range plans for the activities of the Institute, and will present these plans to the membership for comments and approval.
- 4.11 *Annual Budget.* The Board shall adopt an annual Institute budget.
- 4.12 *Audit.* An audit of the Institutes' financial records will be conducted no less than once every three years.

ARTICLE V

Officers

- 5.01 *Officers.* The Officers of the Institute are the Chair, Vice-Chair, Secretary, and Treasurer, and such other Officers as the Board may determine.
- 5.02 *Qualifications.* All Officers shall be Directors. If the Board designates other officers, it shall specify the qualifications for each office.
- 5.03 *Selection and Term of Office.* The Board shall select each of the Officers and provide for the term of office for each.
- 5.04 *Officer Vacancies.* The Board may fill Officer vacancies with Directors as it sees fit.
- 5.05 *Duties.* The Officers perform those duties assigned to them by the Board, including those duties which the Board shall set forth in specific position descriptions for each Officer. The Chair shall serve as the presiding Officer of the Board. In the absence of the Chair, the Vice-Chair shall serve as presiding officer.
- 5.06 *Executive Director.* The Board may employ an Executive Director, with the terms and conditions of employment being specified in an appropriate employment contract. The Executive Director shall be neither an officer nor director. The Executive Director shall manage the daily activities of the Institute subject to Board policy and general oversight.

ARTICLE VI - Reserved.

ARTICLE VII

Committees

- 7.01 *Committees.* The Board or the Executive Director may create committees to which it may delegate various functions; the Board shall provide each such committee with a specific charge or mission statement to include a specific definition of the committee's authority. Any Director and the Executive Director may elect to be Ex-Officio Members of all committees. All committees are accountable to and subject to the oversight of the Board of Directors.
- 7.02 *Nominating Committee.* There shall be a Nominating Committee for the purpose of nominating persons to serve in the anticipated vacant positions on the Board, in addition to any other positions to be filled by the Board. The Nominating Committee, appointed by the Board, shall consist of two or more Directors. The Nominating Committee shall take steps to ensure that appropriate candidates are nominated and that each of those candidates is willing to serve on the Board. The Committee shall transmit the names to the Board in a timely fashion so as to permit the orderly conduct of an election.

- 7.03 *Meetings.* All committee meetings shall conform to the requirements of these Bylaws respecting meetings of the Board with necessary changes in details.

ARTICLE VIII

Records and Reports

- 8.01 *Maintenance of Institute Records.* The Institute shall maintain records in accordance with the California Nonprofit Corporation Law.

ARTICLE IX

Indemnification and Insurance

- 9.01 *Indemnification.* To the fullest extent permitted by the law, the Institute shall indemnify and hold harmless any agent against any claim arising out of any alleged or actual action or inaction in the performance or non-performance of duties performed in good faith on the Institute's behalf. An "Agent" for purpose of these Bylaws shall include Directors, Officers, Executive Director and Employees.
- 9.02 *Insurance.* The Institute may purchase and maintain insurance to the full extent determined appropriate by the Board on behalf of its agents against any liability asserted against or incurred by the agent arising out of the agent's status as such.

ARTICLE X

Dissolution

- 10.01 *Dissolution:* The Board may, upon a two thirds (2/3's) majority vote, dissolve the Institute pursuant to the California Nonprofit Public Benefit Corporations Law. Upon the dissolution or winding up of the Institute, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Institute shall be distributed to a nonprofit fund, Institute or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE XI

Amendment of Bylaws

- 11.01 *Amendment of Bylaws.* The Bylaws may be amended by a majority vote of the Board, provided that the nature of the proposed Bylaws change was delivered to each director at least twenty (20) days prior to the meeting at which the Bylaws amendment will be considered.