
C A R N E G I E I N S T I T U T I O N
O F W A S H I N G T O N

BYLAWS

As amended May 6, 2004

**ARTICLE I
THE TRUSTEES**

Section 1.1. The Board of Trustees shall consist of up to twenty-seven members as determined from time to time by the Board.

Section 1.2. The Board of Trustees shall be divided into three classes approximately equal in number. The terms of the Trustees shall be such that those of the members of one class expire at the conclusion of each May meeting of the Board. At each May meeting of the Board vacancies resulting from the expiration of Trustees' terms shall be filled by their reelection or election of their successors. Trustees so reelected or elected shall serve for terms of three years expiring at the conclusion of the May meeting of the Board in the third year after their election. A vacancy resulting from the resignation, death, or incapacity of a Trustee before the expiration of his or her term may be filled by election of a successor at or between May meetings. A person elected to succeed a Trustee before the expiration of his or her term shall serve for the remainder of that term unless the Board determines that assignment to a class other than the predecessor's is appropriate. There shall be no limit on the number of terms for which a Trustee may serve, and a Trustee shall be eligible for immediate reelection upon expiration of his or her term.

Section 1.3. No Trustee shall receive any compensation for his or her services as such.

Section 1.4. Trustees shall be elected by vote of two-thirds of the Trustees present at a meeting of the Board of Trustees at which a quorum is present, subject to compli-

ance with Section 5.9(c) and (d), or without a meeting by written action of all of the Trustees pursuant to Section 4.6.

Section 1.5. If, at any time during an emergency period, there be no surviving Trustee capable of acting, the President, the Director of each existing Department, or such of them as shall then be surviving and capable of acting, shall constitute a Board of Trustees *pro tem*, with full powers under the provisions of the Articles of Incorporation and these Bylaws. Should neither the President nor any such Director be capable of acting, the senior surviving Staff Member of each existing Department shall be a Trustee *pro tem*, with full powers of a Trustee under the Articles of Incorporation and these Bylaws. It shall be incumbent on the Trustees *pro tem* to reconstitute the Board with permanent members within a reasonable time after the emergency has passed, at which time the Trustees *pro tem* shall cease to hold office. A list of Staff Member seniority, as designated by the President, shall be kept in the Institution's records.

Section 1.6. A Trustee who resigns or elects not to stand for reelection after having served at least six years and having reached age seventy shall be eligible for designation by the Board of Trustees as a Trustee Emeritus. A Trustee Emeritus shall be entitled to attend meetings of the Board but shall have no vote and shall not be counted for purposes of ascertaining the presence of a quorum. A Trustee Emeritus may be invited to attend any meeting of a committee of the Board and to serve as an advisor to any such committee.

Section 1.7. A former Trustee shall be eligible for designation by the Board of Trustees as a Senior Trustee for a term of five years. A Senior Trustee shall be entitled to attend meetings of the Board, and of any Committee of the Board, and may serve on departmental Visiting Committees, but shall have no vote and shall not be counted for purposes of ascertaining the presence of a quorum. There shall be no limit on the number of terms for which a Senior Trustee may serve, and a Senior Trustee shall be eligible for immediate reelection upon expiration of his or her term. There shall be no minimum or maximum number of Senior Trustees; however, it is expected that, in general, the Board will limit the designation of Senior Trustees to former Trustees who intend to attend meetings of the Board and of Committees of the Board during their respective terms as Senior Trustees.

ARTICLE II

OFFICERS OF THE BOARD

Section 2.1. The officers of the Board of Trustees shall be a Chairman, a Vice-Chairman, and a Secretary, who shall be elected by the Trustees, from the members of the Board, to serve for terms of three years and shall be eligible for reelection. A

vacancy resulting from the resignation, death, or incapacity of an officer before the expiration of his or her term shall be filled by the Board for the unexpired term; provided, however, that the Executive Committee shall have power to fill a vacancy in the office of Secretary to serve until it is filled by the Board.

Section 2.2. The Chairman shall preside at all meetings of the Board of Trustees and shall have the usual powers of a presiding officer.

Section 2.3. The Vice-Chairman, in the absence or disability of the Chairman, shall perform the duties of the Chairman.

Section 2.4. The Secretary shall issue notices of meetings of the Board of Trustees, record the actions and minutes of the meetings of the Board and the Executive Committee, and conduct that part of the correspondence relating to the Board and the Committee and to his or her duties.

ARTICLE III **EXECUTIVE ADMINISTRATION**

Section 3.1. There shall be a President who shall be elected by, and hold office during the pleasure of, the Board of Trustees. The President shall be the chief executive officer of the Institution and, subject to the directions and policies of the Board and the Standing Committees of the Board, shall have general charge of all matters of administration and supervision of all arrangements for research and other work undertaken by the Institution or with its funds. He or she shall prepare and submit to the Board and to the Standing Committees plans and suggestions for and reports of the work of the Institution. He or she shall have power to remove, appoint, and, within the scope of funds made available by the Board, provide for compensation of subordinate employees, and to fix the compensation of such employees within the limits of a maximum rate of compensation to be established from time to time by the Board. The President shall be a member of each Standing Committee except the Audit Committee.

Section 3.2. The President shall be the legal custodian of the corporate seal and of all property of the Institution whose custody is not otherwise provided for. He or she shall sign and execute on behalf of the Institution contracts and instruments necessary in authorized administrative and research matters and affix the corporate seal thereto when necessary. He or she may sign and execute other contracts, deeds, and instruments on behalf of the Institution (and affix the corporate seal thereto when necessary) pursuant to general or special authority from the Board of Trustees, the Executive Committee, or the Budget and Operations Committee. He or she may,

within the limits of his or her own authorization, delegate to other corporate officers or to the Directors of the Departments authority to sign and execute contracts, deeds, and instruments, to act as custodian of and affix the corporate seal, and to perform other administrative duties. He or she shall be responsible for the expenditure and disbursement of all funds of the Institution in accordance with the directions of the Board and of the Executive and the Budget and Operations Committees and for the keeping of accurate accounts of all receipts and disbursements. He or she shall, with the assistance of the Directors of the Departments, submit to the Budget and Operations Committee annual operating and capital budgets to enable the Committee to present its budget recommendations to the Board in accordance with Section 6.4. He or she shall prepare for timely presentation to the Trustees and for publication an annual report on the activities of the Institution.

Section 3.3. The President shall attend all meetings of the Board of Trustees.

Section 3.4. The Institution shall have such other corporate officers as may be appointed by the Board of Trustees or the Executive Committee, having such duties and powers as may be specified by the Board or the Committee or by the President under authority from the Board or the Committee.

Section 3.5. The President shall retire from office at the end of the fiscal year in which he or she becomes sixty-five years of age, except as retirement may be deferred by the Board of Trustees for one or more periods of up to three years each. The other corporate officers shall retire as officers, and the Directors of the Departments shall retire as Directors, at the end of the fiscal year in which they become sixty-five years of age, except as otherwise required by law or as retirement may be deferred by the Board or the Executive Committee.

ARTICLE IV **MEETINGS AND VOTING**

Section 4.1. Regular meetings of the Board of Trustees shall be held in the City of Washington, in the District of Columbia, in May and December of each year on dates fixed by the Board, or in such other month or at such other place as may be designated by the Board, or if not so fixed or designated before the first day of the month, by the Chairman of the Board, or if he or she is absent or is unable or refuses to act, by any Trustee with the written consent of the majority of the Trustees then holding office.

Section 4.2. Special meetings of the Board of Trustees may be called, and the date, time, and place of meeting designated, by the Chairman of the Board, or by the Executive Committee, or by any Trustee with the written consent of the majority of

the Trustees then holding office. Upon the written request of seven members of the Board, the Chairman shall call a special meeting.

Section 4.3. Notices of meetings of the Board of Trustees shall be given at least ten days before the date thereof. Notice may be given to any Trustee personally, or by mail, telegram, or other means of record communication sent to the usual address of such Trustee. Notices of adjourned meetings need not be given except when the adjournment is for ten days or more.

Section 4.4. The presence of a majority of the Trustees holding office shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. An act of the majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board except as otherwise provided in these Bylaws. If, at a duly called and noticed meeting, less than a quorum is present, a majority of those present may adjourn the meeting from time to time until a quorum is present. Trustees present at a duly called and noticed meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough Trustees to leave less than a quorum.

Section 4.5. The transactions of any meeting of the Board of Trustees, however called and noticed, shall be as valid as though carried out at a meeting duly held if a quorum is present and if, either before or after the meeting, each of the Trustees not present in person signs a written waiver of notice, or consent to the holding of such meeting, or approval of the minutes thereof. All such waivers, consents, and approvals shall be filed with the corporate records, and an officer's certificate as to their receipt shall be made a part of the minutes of the meeting.

Section 4.6. Any action which, under law or these Bylaws, is authorized to be taken at a meeting of the Board of Trustees or any of the Standing Committees may be taken without a meeting if authorized in a document or documents in writing signed by all the Trustees, or all the members of the Committee, as the case may be, then holding office and filed with the Secretary together with an officer's certificate as to their receipt.

Section 4.7. During any emergency period the term "Trustees holding office" shall, for purposes of this Article, mean the surviving members of the Board of Trustees who have not been rendered incapable of acting for any reason including difficulty of transportation to a place of meeting or of communication with other surviving members of the Board.

ARTICLE V COMMITTEES

Section 5.1. (a) There shall be eight Standing Committees of the Board of Trustees, denominated Executive, Budget and Operations, Finance, Employee Affairs, Research, Development, Audit, and Nominating.

(b) Members of the Standing Committees (other than those identified in this Article by the office they hold) shall be appointed by the Board of Trustees to serve for terms of three years, staggered so that at least one expires at each May meeting of the Board. They shall be eligible for reappointment. Except as otherwise provided in Sections 5.2(a), 5.3(a), and 5.9(a) with respect to the Executive, Budget and Operations, and Nominating Committees, the chair of each Standing Committee shall be appointed by the Board to serve until the expiration of the chair's term as a Committee member.

(c) A vacancy created before the expiration of a committee member's term by his or her resignation, death, incapacity, or ineligibility because of termination of service as Trustee shall be filled by the Board or Trustees at its next May meeting and may be filled at an earlier meeting of the Board to serve for the remainder of the predecessor's term. A vacancy in the Executive Committee and, upon request of the remaining members of any other Standing Committee, a vacancy in such other Committee may be filled by the Executive Committee by temporary appointment to serve until the next meeting of the Board.

(d) Committee members may participate in a meeting by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to one another, and such participation shall constitute presence in person at the meeting. Prompt notice of action taken at such a meeting shall be given to any members not present. Committee action may be taken by unanimous consent in writing as provided in Section 4.6.

(e) Unless otherwise specified in this Article, the presence of a majority of the members of a Standing Committee shall be necessary to constitute a quorum for the transaction of business.

(f) No Standing Committee shall have any of the powers of the Board of Trustees relating to proposing amendment of the Articles of Incorporation, amending the Bylaws, or electing or removing a Trustee or the President.

(g) At each May and December meeting of the Board, each Standing Committee shall present to the Board a report, suitable for publication if the Board so desires, describing meetings and actions of the Committee.

Section 5.2. (a) The *Executive Committee* shall consist of the Chairman, Vice-Chairman, and Secretary of the Board of Trustees, the Chairman of the Finance Committee, and the President. The Chairman of the Board shall be the chair of the Committee.

(b) Subject to Section 5.1(f), the Executive Committee may, when the Board of Trustees is not in session and has not given specific directions, exercise the powers of the Board including the power to authorize the purchase, sale, exchange, or transfer of real estate.

Section 5.3. (a) The *Budget and Operations Committee* shall consist of the Chairman, Vice-Chairman, and Secretary of the Board, not less than five and not more than seven other Trustees, and the President. The Chairman of the Board shall be the chair of the Committee. The presence of four members of the Committee shall be sufficient to constitute a quorum for the transaction of business at any meeting.

(b) The Budget and Operations Committee shall have general control of the administration and affairs of the Institution and general supervision of all arrangements for administration, research, and other matters undertaken or promoted by the Institution. Amendments of employee benefit plans other than those required by law or government regulation shall be approved by the Committee. The Committee's responsibilities relating to financial matters shall include those described in Section 3.2 and Article VI.

(c) Regular meetings of the Budget and Operations Committee shall be held in March and September of each year.

Section 5.4. (a) The *Finance Committee* shall consist of the Chairman of the Board, not less than three and not more than six other Trustees, and the President. The presence of three members of the Committee shall be sufficient to constitute a quorum for the transaction of business at any meeting.

(b) The Finance Committee shall have general charge of the Institution's investments and invested funds and shall care for and dispose of them subject to the directions of the Board of Trustees. It shall have power to authorize the purchase, sale, exchange, or transfer of securities and to delegate this power. It shall consider and recommend to the Board from time to time such measures as in its opinion will promote the financial interests of the Institution and improve the management of investments under any retirement or other benefit plan.

(c) The Finance Committee shall be advisory to the Budget and Operations Committee on spending policies.

(d) Regular meetings of the Finance Committee shall be held in March and September of each year and immediately before the May and December meetings of the Board of Trustees.

Section 5.5. (a) The *Employee Affairs Committee* shall consist of the Chairman of the Board, the Chairman of the Finance Committee, not less than three and not more than five other Trustees, and the President.

(b) The Employee Affairs Committee shall periodically review the compensa-

tion of the officers and other employees of the Institution and, if desired, make recommendations to the Budget and Operations Committee with respect thereto; review summaries of staff evaluations including pertinent aspects of the reports of the departmental Visiting Committees; supervise the activities of the administrator or administrators of retirement and other benefit plans for the Institution's employees; receive reports from the administrator or administrators of the employee benefit plans with respect to administration, benefit structure, operation, and funding; and consider and recommend to the Budget and Operations Committee from time to time such measures as in its opinion will improve the plans and their administration.

(c) Regular meetings of the Employee Affairs Committee shall be held immediately before the May meetings of the Board of Trustees. The Committee shall hold additional meetings as necessary or advisable for the performance of its duties.

Section 5.6. (a) The *Research Committee* shall consist of the Chairman of the Board, the President, the chairs of the departmental Visiting Committees, and not less than eight other members.

(b) The Research Committee shall review the research output of the Departments of the Institution, major needs for staff, facilities, and equipment, and the overall direction and future planning of the Institution's research and joint projects with other institutions. It shall receive reports of the departmental Visiting Committees and periodic reports from the Directors of the Departments.

(c) The Research Committee shall meet once a year, immediately before or after the December meeting of the Board of Trustees.

Section 5.7. (a) The *Development Committee* shall consist of not less than five and not more than ten Trustees, and the President.

(b) The Development Committee shall have general responsibility for strategic planning of fund-raising for the Annual Fund, the Endowment, and capital projects.

(c) Regular meetings of the Development Committee shall be held in conjunction with the semiannual meetings of the Board of Trustees in December and May. The Committee shall hold additional meetings as necessary or advisable for the performance of its duties.

Section 5.8. (a) The *Audit Committee* shall consist of three trustees.

(b) The Audit Committee shall cause the accounts of the Institution for each fiscal year to be audited by public accountants and a report by the accountants to be submitted to the Committee. The Committee shall present the report for the preceding fiscal year at the May meeting of the Board with such recommendations as the Committee may deem appropriate.

(c) Regular meetings of the Audit Committee shall be held once a year, at a time and place designated by the Chair of the Committee. The Committee

shall hold additional meetings as necessary or advisable for the performance of its duties.

Section 5.9. (a) The *Nominating Committee* shall consist of the Chairman of the Board, not less than three or more than five other Trustees, and the President. The chairman of the Board shall appoint another member of the Committee as chair for a term expiring no later than the expiration of his or her term as a member.

(b) The duties of the Nominating Committee shall be to discover, recruit, and propose candidates for election to the Board of Trustees and as officers of the Board and for appointment as members and chairs of the Standing Committees. The Committee shall meet at least twice a year and make reports to the Board at each of its regular meetings.

(c) At least sixty days before each May meeting of the Board of Trustees, the Nominating Committee shall notify the Trustees by mail of the vacancies expected to be filled in the membership of the Board, the offices of the Board, and the Standing Committees. Each Trustee may submit nominations for such vacancies in the Board. At least ten days before the May meeting, the Committee shall submit to the members of the Board by mail a list of the persons so nominated, with its recommendations for election of Trustees and officers of the Board and appointment of Committee members and chairs thereof. No other nominations shall be received by the Board at the May meeting except with the unanimous consent of the Trustees present.

(d) A Trustee may be elected at a meeting of the Board of Trustees other than the May meeting if the recommendation of the Nominating Committee with respect to his or her candidacy was submitted to the members of the Board by mail at least ten days before the date of the meeting or the Trustees present at the meeting unanimously agree to waive this requirement. The solicitation of consents to election of a Trustee without a meeting of the Board pursuant to Section 4.6 shall include or be accompanied by the recommendation of the Nominating Committee.

ARTICLE VI

FINANCIAL ADMINISTRATION

Section 6.1. No expenditure shall be authorized or made except in pursuance of a previous appropriation by the Board of Trustees, or as provided in Section 5.4 (b).

Section 6.2. The fiscal year of the Institution shall commence on the first day of July in each year. Financial statements for and as of the end of each fiscal year, together with the report thereon of the firm of public accountants appointed by the Audit Committee, shall be sent to the Trustees promptly after receipt of such report and shall be presented to the Board of Trustees as provided in Section 5.8 (b).

Section 6.3. The President shall submit to the Board of Trustees at its December meeting a full statement of the finances and work of the Institution for the preceding fiscal year.

Section 6.4. The Budget and Operations Committee shall present to the Board at its May meeting a statement of estimated revenues and expenses for the current fiscal year and operating and capital budgets for the succeeding fiscal year, including detailed estimates of revenues and expenses.

Section 6.5. The Board of Trustees at its May meeting shall adopt operating and capital budgets and make general appropriations for the succeeding fiscal year; but nothing contained herein shall prevent the Board from making special appropriations at any meeting.

Section 6.6. The Budget and Operations Committee shall have general charge and control of all appropriations made by the Board of Trustees. When the Board is not in session, the Committee shall have full authority to allocate appropriations made by the Board, to reallocate available funds, as needed, and to transfer balances.

Section 6.7. In accordance with Section 5.4 (b), subject to directions of the Board of Trustees, securities of the Institution and funds invested and to be invested shall be placed in the custody of such financial institution or institutions and under such safeguards as the Finance Committee may from time to time direct. Authority for investment of such securities and funds may be delegated to such managers or advisors as the Finance Committee may from time to time designate. Income of the Institution available for expenditure shall be deposited in such financial institution or institutions as may from time to time be designated by the Board. The Board may authorize the President to designate financial institutions to hold funds of the Institution.

Section 6.8. The property of the Institution is irrevocably dedicated to scientific, educational, and charitable purposes. In the event of dissolution, its property shall be used for and distributed to one or more of such purposes as specified by the Congress of the United States in the Articles of Incorporation, Public Law No. 260, approved April 28, 1904, as the same may be amended from time to time.

ARTICLE VII

INDEMNIFICATION; TRANSACTIONS WITH INTERESTED PERSONS

Section 7.1. The Institution shall, to the fullest extent required or permitted by applicable law, indemnify any person who is or was, or is the personal representative of a deceased person who was, a Trustee, officer, employee, or agent of the Institution against

(a) any liability asserted against him or her and incurred by him or her

(1) by reason of the fact that he or she (or his or her testator or intestate) is serving or served in such capacity or at the request of the Institution as a director, trustee, partner, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or as fiduciary of an employee benefit plan; or

(2) arising out of his or her (or his or her testator's or intestate's) service or status as such; and

(b) costs reasonably incurred by him or her in defending against such liability.

Unless applicable law otherwise requires, indemnification shall be contingent upon a determination, by majority vote of a quorum of the Board of Trustees consisting of disinterested Trustees or, if such a quorum is not obtainable or a quorum of disinterested Trustees so directs, by independent legal counsel in a written opinion, that indemnification is proper in the circumstances because such Trustee, officer, employee, or agent has met the applicable standard of conduct prescribed by District of Columbia law.

Section 7.2. No contract or transaction between the Institution and any of its Trustees or officers, or between the Institution and any other corporation, partnership, association, or other organization in which any of its Trustees or officers is a director or officer or has a financial interest, shall be void or voidable solely for that reason, or solely because the Trustee or officer is present at or participates in the meeting of the Board of Trustees or a committee thereof at which the contract or transaction is authorized, approved, or ratified or solely because his or her vote is counted for such purpose, if

(a) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or the committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Trustees or committee members, even though they are less than a quorum; and

(b) the contract or transaction is fair to the Institution as of the time it is authorized, approved, or ratified by the Board or the committee.

ARTICLE VIII **AMENDMENT OF BYLAWS**

Section 8.1. These Bylaws may be amended (a) at any meeting of the Board of Trustees, by a two-thirds vote of the incumbent members of the Board, or (b) by a two-thirds vote of the members present at a meeting at which a quorum is present if notice of the proposed amendment has been given in accordance with Section 4.3 to each member of the Board at least twenty days before the meeting and the amendment as adopted is substantially the same as proposed in the notice, or (c) by unanimous written action pursuant to Section 4.6.

Section 8.2. Promptly after any amendment, notice thereof or the complete Bylaws as amended shall be delivered or mailed to each Trustee.