AMENDED AND RESTATED BYLAWS
OF
THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY

Adopted: October 27, 2011

BACKGROUND

WHEREAS, this corporation is a New Jersey nonprofit corporation having the name “The Trustees of the Stevens Institute of Technology” (the “Institute”); and

WHEREAS, the Institute was incorporated by an act of the New Jersey Legislature approved on February 15, 1870; and

WHEREAS, the Board (as defined herein) previously adopted Bylaws of the Institute, which were amended from time to time (as amended, the “Original Bylaws”); and

WHEREAS, the Board deemed it advisable and in the best interests of the Institute to adopt new bylaws for the governance and administration of the Institute, and accordingly these Amended and Restated Bylaws of the Institute (these “Bylaws”) were duly adopted by at least one-half of the voting trustees in office after consideration at meetings held February 8, April 6, October 15, 2010 and October 13, 2011, in accordance with the Institute’s certificate of incorporation and the Original Bylaws; and

WHEREAS, the text of the Original Bylaws is hereby amended and restated in its entirety to read as follows:

ARTICLE 1
Purpose of Institute; Purpose of Bylaws; No Members

Section 1.1 Purpose of the Institute. The Institute is formed for the purposes set forth in the Institute’s certificate of incorporation. Without limiting the foregoing, the Institute is formed exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, as amended (the “Code”), or the corresponding section of any future federal tax code.

Section 1.2 Purpose of these Bylaws. These Bylaws are intended to govern the business of the Institute and to provide for its management, administration, utilization and maintenance.

Section 1.3 Members. The Institute shall not have any “members” within the meaning of the New Jersey Nonprofit Corporation Act, as amended (the “Act”).
ARTICLE 2
Board of Trustees

Section 2.1 General; Duties. As provided in the Act (February 15, 1870) incorporating The Stevens Institute of Technology, the entire management of the affairs and concerns of the Institute, and all the corporate powers shall be vested in the trustees to manage and control and the trustees shall have power to enact Bylaws for the regulation and management of the Institute, to fill up vacancies on the Board, and to prescribe the number and description, the duties and powers of the officers, the manner of their appointment, and the term of their office. The Trustees shall select and appoint a President of the Institute whose duties shall include the administration of the Institute and the direction of its faculty. In addition to and in conjunction with the authority provided by applicable law and the certificate of incorporation, and in addition to and subject to the other provisions of these Bylaws, the Institute’s entire board of trustees (the “Board” or “Board of Trustees”) shall have the following non-delegable powers and duties:

2.1.1. set overall policies and procedures for the operation of the Institute;

2.1.2. authorize disbursement of funds and appoint agents as it, in its discretion, deems necessary;

2.1.3. review and approve the employment agreement and annual compensation of the Institute’s President;

2.1.4. review and approve the annual compensation and terms of employment for the Institute’s five highest paid officers, other than the Institute’s President;

2.1.5. review and approve the Institute’s financial results of operations and/or the financial statements of the Institute at every regular meeting of the Board, including the reports by the Audit Committee;

2.1.6. review and approve the Institute’s annual budget;

2.1.7. review and approve the Institute’s annual IRS 990 submission;

2.1.8. meet with the Institute’s external auditor on an annual basis and review the internal control letters from external auditors;

2.1.9. review reports by the Audit Committee and consider actions recommended by the Audit Committee with respect to any material weaknesses and significant control deficiencies identified by the Institute’s external auditor;

2.1.10. review reports by the Finance and Investment Committees on the annual performance, allocation and spending rate of the Institute’s endowment;
2.1.11. approve the spending rate and any policies relating to investment of the Institute’s endowment;

2.1.12. establish and conduct an orientation and education program for new trustees; and

2.1.13. review and assess annually a report of the Nominating and Corporate Governance Committee (as defined in Section 5.1) on the performance of the Board and Board committees.

Section 2.2 Membership; Terms. The number of trustees that shall constitute the Board shall be no less than three (3) nor more than forty-two (42), which Board shall consist of the following classes of trustees: up to thirty-five (35) trustees designated as “Charter Trustees,” up to five (5) trustees designated as “Alumni Trustees,” and up to two (2) trustees designated as “Faculty Trustees.” Within the foregoing limits, the number of trustees constituting the Board shall be set annually by the Board; provided however, that the Board shall not have the power to decrease the number of trustees to less than three (3) persons, nor shall it have the power to decrease the number of trustees so as to shorten the term of an incumbent trustee. The President of the Institute shall serve as an ex officio member of the Board. The President and such individuals as may be elected to the position of “Emeritus Trustee” under Section 2.5.4, and such individuals as may be elected to the position of “Honorary Trustee” under Section 2.6.4 shall be entitled to participate in meetings of the Board and Board committees in a non-voting capacity as described in this Article 2 but shall not be considered “trustees” as defined in the Act.

Section 2.3 Charter Trustees. Charter Trustees shall be elected and shall serve as follows:

2.3.1. Each Charter Trustee shall be elected to the Board for a term of three (3) years, ending at the close of the annual meeting which is, or next follows, the third anniversary of his or her election.

2.3.2. No more than thirteen (13) Charter Trustees shall be elected in any one (1) year, except to fill vacancies in such three-year terms and to serve for the unexpired portions thereof.

2.3.3. No Charter Trustee who has served on the Board for twelve (12) years in any sixteen (16) year period and has reached the age of seventy-two (72) shall be permitted to continue to serve on the Board as a voting trustee. Any Charter Trustee who has served twelve (12) years in any sixteen (16) year period and has reached the age of seventy-two (72) shall, at the conclusion of the Board’s regular May meeting, no longer continue as a voting member of the Board but shall be eligible to be elected to the position of Trustee Emeritus, as described in Section 2.5.

2.3.4. At any meeting of the Board, the Nominating and Corporate Governance Committee shall present to the Board any nominee for Charter Trustee, for election by a vote of all trustees eligible to vote.
Section 2.4 Alumni Trustees. Alumni Trustees shall be elected and shall serve as follows:

2.4.1. Each Alumni Trustee must be an alumnus of the Institute.

2.4.2. The president of the Institute’s Alumni Association shall serve as an Alumni Trustee during his or her term of office as such president.

2.4.3. At least one Alumni Trustee (who is not the president of the Institute’s Alumni Association) shall be elected each year pursuant to procedures prescribed by the Nominating and Corporate Governance Committee, to serve for a term of two (2) years, beginning with the annual meeting of the Board.

2.4.4. At least one Alumni Trustee shall be elected each year from three (3) nominations from the graduating (senior) class. Nominations for Alumni Trustees shall be requested annually two (2) weeks prior to Commencement from amongst the members of the graduating senior class. The Nominating and Corporate Governance Committee shall prescribe procedures soliciting nominations and electing Alumni Trustees under this Section 2.4.4.

2.4.5. No Alumni Trustee who has served on the Board for twelve (12) years in any sixteen (16) year period and has reached the age of seventy-two (72) shall be permitted to continue to serve on the Board as a voting trustee. Any Alumni Trustee who has served twelve (12) years in any sixteen (16) year period and has reached the age of seventy-two (72) shall, at the conclusion of the Board’s regular May meeting, no longer continue as a voting member of the Board but shall be eligible to be elected to the position of Trustee Emeritus, as described in Section 2.5 below.

Section 2.5 Emeritus Trustees. Emeritus Trustees shall be elected and shall serve as follows:

2.5.1. Any person who has served as a trustee and who has participated to an unusually high degree in the governance and advancement of the Institute shall be eligible to be elected to serve as an Emeritus Trustee.

2.5.2. An Emeritus Trustee shall serve for life or until his or her earlier resignation or removal in accordance with Section 3.7.

2.5.3. An Emeritus Trustee may participate in the conduct of all meetings of the Board and committees thereof, but shall not have the right to vote on any matter that comes before the Board or any committee other than an advisory committee. An Emeritus Trustee shall have no official powers to bind the Institute to contracts or otherwise, and shall not be counted among voting trustees, whether to determine the number of trustees on the Board or if a quorum exists for the purpose of transacting business of the Board or any committee thereof, or for any other purpose.

2.5.4. At any meeting of the Board, the Nominating and Corporate Governance Committee shall present to the Board any nominee for Emeritus Trustee, for election by a vote of all trustees eligible to vote.
Section 2.6 Honorary Trustees. Honorary Trustees shall be elected and shall serve as follows:

2.6.1. An Honorary Trustee shall be a particularly distinguished individual who has no prior service on the Board but who has a strong commitment to or interest in the governance and advancement of the Institute and who for reasons which are apparent or understandable to the Board cannot take on the responsibilities of a voting trustee.

2.6.2. An Honorary Trustee shall serve for life or until his or her earlier resignation or removal in accordance with Section 3.7.

2.6.3. An Honorary Trustee may participate in the conduct of all meetings of the Board and committees thereof, but shall not have the right to vote on any matter that comes before the Board or any committee other than an advisory committee. An Honorary Trustee shall have no official powers to bind the Institute to contracts or otherwise, and shall not be counted among voting trustees, whether to determine the number of trustees on the Board or if a quorum exists for the purpose of transacting business of the Board or any committee thereof, or for any other purpose.

2.6.4. At any meeting of the Board, the Nominating and Corporate Governance Committee shall present to the Board any nominee for Honorary Trustee, for election by a vote of all trustees eligible to vote.

Section 2.7 Faculty Trustees. Faculty Trustees shall be elected and shall serve as follows:

2.7.1. Each Faculty Trustee shall be a current member of the Institute’s faculty and shall be elected to the Board for a term of two (2) years, ending at the close of the Board’s regular May meeting which is, or next follows, the second anniversary of his or her election. Faculty Trustees may serve for one additional two-year term upon renomination by the Committee on Nominations and Governance. After completion of their term, Faculty Trustees may be reappointed to the Board of Trustees or any of its committees after a two-year absence. Faculty Trustee terms may be shortened or lengthened in order to establish an election rotation schedule that results in the election of one (1) Faculty Trustee each year.

2.7.2. No more than one (1) Faculty Trustee shall be elected in any one (1) year, except to fill vacancies in such two-year terms and to serve for the unexpired portions thereof.

2.7.3. No Faculty Trustee who has served on the Board for twelve (12) years in any sixteen (16) year period and has reached the age of seventy-two (72) shall be permitted to continue to serve on the Board as a voting trustee. Any Faculty Trustee who has served twelve (12) years in any sixteen (16) year period and has reached the age of seventy-two (72) shall, at the conclusion of the Board’s regular May meeting, no longer continue as a voting member of the Board but shall be eligible to be elected to the position of Trustee Emeritus, as described in Section 2.5.
2.7.4. At any meeting of the Board, the Nominating and Corporate Governance Committee shall present to the Board any nominees for Faculty Trustee, for election by a vote of all trustees eligible to vote. The Nominating and Corporate Governance Committee shall solicit from the Institute’s faculty three (3) nominees for each Faculty Trustee position up for election and make its nomination to the Board from among those nominees.

2.7.5. Faculty Trustees shall have all the duties and powers of Charter and Alumni Trustees. In addition, Faculty Trustees shall be invited to attend the annual meeting of the Audit Committee at which the management of the Institute, in the presence of the external auditors, presents the financial statements for the Institute.

ARTICLE 3
Meetings of the Board

Section 3.1 Annual and Regular Meetings; Executive Session; Notice. Regular meetings of the Board shall be held four times in each year, one in the month of October, one in the month of December, one in the month of February and one in the month of May. The October regular meeting shall be the annual meeting of the Board. The May regular meeting shall include Commencement, and its agenda shall include, among other things, the voting of degrees. At least one regular meeting of the Board each year shall be held in Hoboken, New Jersey. Subject to the foregoing limitations, each regular meeting shall be held on such day or days and at such times and places as the Chairman of the Board may determine to be appropriate to the needs of the Board and the convenience of the trustees. Notice of regular meetings of the Board shall be given to all trustees by email, hand-delivery, mail or facsimile at least ten (10) days in advance of the meeting. The Board shall meet in executive session at each regular Board meeting in the absence of any employee or officer of the Institute.

Section 3.2 Special Meetings; Notice. Special meetings of the Board may be called upon the request of the Chairman of the Board or upon written request by any three (3) trustees, provided that notice shall be given to all trustees by email, hand-delivery, mail or facsimile at least ten (10) days in advance of the meeting. No business shall be transacted at a special meeting except that specified in the notice. Any special meetings shall be held on such day and at such time and place as the Chairman of the Board may determine to be appropriate to the needs of the Board and the convenience of the trustees. In the event a matter is so urgent that a timely meeting of the Board or a committee thereof cannot be arranged, even by the remote means as described in Section 3.4, the Chairman of the Board or presiding Vice Chairman may direct that all members be polled individually by telephone and/or ballot by mail, email or facsimile, provided that the outcome of such polling (if other than a unanimous consent in writing, as permitted by Section 3.5) must be ratified at a subsequent meeting of the Board.

Section 3.3 Quorum and Voting.

3.3.1. One-half of the number of voting trustees in office shall constitute a quorum for the transaction of all business at meetings of the Board of Trustees.
3.3.2.  With the necessary quorum present, decisions shall be made by a majority of the trustees present and entitled to vote, except as otherwise may be specifically provided herein or by applicable law.

Section 3.4  Participation.  Any one or more trustees may participate in any meeting of the Board remotely by means of a telephone conference call or other electronic means or communications device which allows all persons participating in the meeting to hear each other and such participation in a meeting shall be deemed presence in person at such meeting for the purpose of the quorum count.  Voting by proxy shall not be permitted at any meeting of the Board or a Board committee.

Section 3.5  Action of Trustees Without a Meeting.  The Board may act without a meeting by unanimous written consent as provided by the Act.  Any action required or permitted to be taken pursuant to authorization voted at a meeting of the Board or any committee thereof may be taken without a meeting if, prior or subsequent to the action, all members of the Board or of the committee, as the case may be, consent thereto in writing and the written consents are filed with the minutes of the proceedings of the Board or the committee.  The written consents shall have the same effect as a unanimous vote of the Board or the committee for all purposes.

Section 3.6  Waivers of Notice.  Notice of any meeting need not be given to any trustee who signs a waiver of notice, whether before or after the meeting.  The attendance of any trustee at a meeting without protesting prior to the conclusion of the meeting the lack of notice of the meeting shall constitute a waiver of notice by that trustee.

Section 3.7  Resignation, Removal and Vacancy.  Any trustee may resign upon written notice to the Chairman of the Board and may be removed for cause, including nonattendance, by a majority vote of the Board of Trustees.  Any Charter Trustee, Alumni Trustee or Faculty Trustee selected to fill a vacancy in any unexpired term shall be selected pursuant to the processes set forth in Section 2 for each type of trustee and shall serve for the remainder of the unexpired term.

ARTICLE 4
Officers

Section 4.1  Officers.  The officers of the Institute shall be a Chairman of the Board, such number of Vice Chairmen of the Board as the trustees shall from time to time determine, a President, a Secretary and a Treasurer.  The Institute shall have such other officers as the Board may determine from time to time, including one or more Assistant Secretaries and one or more Assistant Treasurers, with such title and duties as the Board may decide from time to time.  The Board shall also determine whether any such positions may be held by a trustee or simultaneously by the same person; however no officer shall execute, acknowledge, or verify any instrument in more than one capacity if the instrument is required by law to be executed, acknowledged, or verified by two or more officers.  The positions of Secretary and Treasurer, and the positions of Assistant Secretary and Assistant Treasurer (if such positions are approved by the Board), may be held simultaneously by the same person.
Section 4.2 Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board, and shall do and perform all such acts in the name of the Board as he or she may be hereafter authorized by the Board to do, and such other duties as are generally customary to the office of Chairman of the Board. The position of Chairman of the Board must be held by a trustee. Any Chairman who has served fifteen (15) consecutive years shall, at the conclusion of the Board’s regular May meeting, no longer continue as Chairman of the Board, and shall be ineligible to serve as Chairman for at least two (2) years after expiration of the term.

Section 4.3 Vice Chairmen of the Board. In the absence of the Chairman of the Board, one of the Vice Chairmen shall be required to perform all of the duties of the Chairman of the Board. The Chairman may delegate other responsibilities to one or more Vice Chairmen with notice to the full Board of Trustees, the President and the Secretary. In the absence of the Chairman and Vice Chairmen, the trustees may elect a Chairman pro tem. Each position of Vice Chairman must be held by a trustee. Any Vice Chairman who has served fifteen (15) consecutive years shall, at the conclusion of the Board’s regular May meeting, no longer continue as a Vice Chairman of the Board, and shall be ineligible to serve as Vice Chairman for at least two (2) years after expiration of the term. In the event that any meeting of the Vice Chairmen of the Board is called, a secretary to the meeting shall be named to take minutes and such minutes shall be circulated to the Board of Trustees at or prior to its next regularly-scheduled meeting.

Section 4.4 President. The President shall be the chief executive officer of the Institute and, subject to the direction and under the supervision of the Board, shall have general charge and supervision over and responsibility for the affairs of the Institute and the direction of the Institute’s faculty. With the exception of the Chairman and any Vice Chairman, unless otherwise directed by the Board, all other officers shall be subject to the authority and the supervision of the President. From time to time the President may delegate to any other officer any or all of these duties and authority. The position of President may not be held by a trustee.

Section 4.5 Secretary. The Secretary shall be responsible for keeping, developing, distributing and maintaining a full and faithful record of all proceedings at any meetings of the Board and its committees and any other official meetings. The Secretary is also responsible for serving any notice required under these Bylaws. The Secretary shall attend to and perform such other duties as are generally customary to the office of secretary. The Secretary, while ultimately responsible, may utilize the assistance of any staff person who has expertise in the area to fulfill the Bylaws function. The position of Secretary may be held by a trustee.

Section 4.6 Treasurer. The Treasurer shall supervise the custody, receipt and disbursement of all funds pertaining to the current operation of the Institute, except those funds administered by the Finance Committee or the Investment Committee. Subject to these Bylaws, the Treasurer shall be responsible for the financial affairs of the Institute, the development of the annual budget, investment policy, financial reporting and record keeping. The Treasurer, while ultimately responsible, may utilize the skills and support of any staff person who has expertise in the area to fulfill the Bylaws function. The position of Treasurer may be held by a trustee.
Section 4.7 Election and Term. Each of the officers listed above other than the President shall be elected at the annual meeting of the Board to hold office until the next annual meeting, or until his or her successor is elected and qualified. All nominations for the annually elected officers shall be presented by the Nominating and Corporate Governance Committee.

Section 4.8 Resignation, Removal and Vacancy. Any officer may resign upon written notice to the Board. The Board may remove any officer with or without cause. Whenever any office becomes vacant, the Board shall fill the vacancy by vote at any regular meeting or at a special meeting called for the purpose of filling the vacancy. During any interim period, before the vacancy is filled, the Chairman of the Board may appoint any other officer or staff member to perform the duties of the vacant position.

Section 4.9 Officer Loans and Guaranties. The Board shall not authorize any loan by the Institute to any officer or trustee, nor shall it authorize the Institute to act as a guarantor on a loan for any officer or trustee. The Board, however, is authorized to approve a loan by the Institute to a non-officer faculty member or a staff member. The Board also is authorized to approve the Institute acting as a guarantor on a loan for a non-officer faculty member or staff member.

ARTICLE 5
Board Committees

Section 5.1 Standing Committees. The Board shall appoint and designate the following five (5) standing committees of the Board: (i) the “Executive Committee”, (ii) the “Human Resources Committee”, (iii) the “Audit Committee”, (iv) the “Nominating and Corporate Governance Committee” and (v) the “Investment Committee” (collectively, the “Standing Committees”). The Standing Committees shall have the powers and authorities as are described below and in their respective charters, subject to the following requirements:

5.1.1. The members of each Standing Committee shall include at least four (4) trustees and each Standing Committee, except the Audit, Human Resources and Executive Committees, shall also include at least one (1) Faculty Trustee. In addition, the Board may elect to appoint one (1) or more additional faculty members to participate in the activities of any Standing Committee (other than the Audit, Human Resources and Executive Committees). Each member of the Audit Committee and Human Resources Committee shall be “Independent,” as defined in Article 9.

5.1.2. Upon recommendation by the Nominating and Corporate Governance Committee, each member of each Standing Committee shall be elected annually by the Board of Trustees, and the Board shall designate one (1) member of each Standing Committee to serve as chairperson of such committee. The Chairman of the Board shall not be eligible to serve as the chairperson of any Standing Committee other than the Executive Committee. No member of the Executive Committee shall be eligible to serve as the Chairman or Vice Chairman of any Standing Committee or any subcommittee, other than the Executive Committee. The Executive Committee shall not have the authority to act for the Board.
5.1.3. The terms of the members of each Standing Committee, except the trustee professional (as defined in Section 5.2) on the Audit Committee, shall be limited to four (4) consecutive years, with a rotation schedule that replaces one (1) trustee every year and one (1) faculty member every two (2) years. The initial terms of certain members of the Standing Committees may be decreased, as determined by the Board, to establish the rotation schedules of each Standing Committee.

5.1.4. The chairperson of each Standing Committee, except a trustee professional (as defined in Section 5.2) that serves as chairperson of the Audit Committee, shall be limited to a four-year term.

5.1.5. No trustee may rejoin a particular Standing Committee for a period of two (2) years following the last day of his or her term on such Standing Committee.

5.1.6. At all meetings of each Standing Committee, a majority of members of such Standing Committee shall constitute a quorum for the transaction of business of such Standing Committee.

5.1.7. Each Standing Committee shall prepare, adopt and submit to the Board for review and approval, a committee charter consistent with these Bylaws, which charter shall set forth such Standing Committee’s responsibilities and duties, requirements for membership, requirements for meetings, and such other matters as are appropriate to the charter of each particular Standing Committee.

5.1.8. Each Standing Committee shall complete a self-evaluation review at least once every two (2) years, and shall submit the results of such review to the Nominating and Corporate Governance Committee.

5.1.9. Each Standing Committee shall prepare or cause to be prepared complete, detailed and accurate minutes for each committee meeting and subcommittee meeting, to be submitted to the entire Board at the Board’s next meeting or within the time required under Section 15A:6-9 of the Act.

Section 5.2 Trustee Professionals on Committees. In the event of any unresolved dispute between a majority of trustees on a committee and a trustee professional who was engaged or compensated to serve on that committee due to his or her expertise, the dispute shall be submitted to the entire Board and resolved by a vote of the entire Board. A “trustee professional” is someone with a particular expertise that the Board engages to serve as a trustee and committee member.

Section 5.3 Other Committees; Advisors; Guests. The Board may appoint from time to time other committees or subcommittees of one or more persons for such purposes and with such powers as the Board may determine, provided however, that no committee may be appointed for the purposes of, or with the powers granted hereunder to, any of the Standing Committees. The Board may also appoint such boards of advisors or task forces that the Board at its discretion may establish from time to time to consider matters and make recommendations to the Board. The Board or any committee may also invite guests, which may include faculty, to attend a particular meeting of the Board or such committee.
Section 5.4 Limitation on Powers of Committees. No Standing Committee or any other committee established by the Board shall have the power to take any of the following actions:

5.4.1. Make, alter or repeal any bylaw of the Institute or the certificate of incorporation of the Institute;

5.4.2. Elect, appoint or remove any trustee or officer, including the President;

5.4.3. Amend or repeal any resolution previously adopted by the Board; or

5.4.4. Take any other action prohibited to be taken by a committee under Section 15A:6-9 of the Act.

Section 5.5 No Committee shall be authorized to exercise the powers and duties of the entire Board as set forth in Section 2.1.

ARTICLE 6
Fiscal Year

Section 6.1 Fiscal Year. The fiscal year of the Institute shall end on June 30th of each year.

ARTICLE 7
Tax Exemption

Section 7.1 Tax Exempt Status. Notwithstanding anything else herein, the Institute shall not engage in any activity which is inconsistent with its tax-exempt status pursuant to section 501(c)(3) of the Code.

Section 7.2 No Private Benefit. No part of the net earnings of the Institute shall inure to the benefit of, or be distributable to its trustees, officers, or other private persons, except that the Institute shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the Institute’s tax exempt purposes. No substantial part of the activities of the Institute shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Institute shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Bylaws, the Institute shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the Code, or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code.

Section 7.3 Dissolution. Upon the dissolution and liquidation of the Institute, the net assets of the Institute shall be distributed to one or more organizations (or to a governmental unit exclusively for a public purpose) selected by the Board which are exempt
from federal income tax as organizations described in Section 501(c)(3) of the Internal Revenue Code. Any assets not so disposed of shall be disposed of by a court of competent jurisdiction in the State of New Jersey, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are described in Section 501(c)(3) of the Internal Revenue Code and are organized and operated exclusively for purposes which best promote the purposes of the Institute.

ARTICLE 8
Effect of and Amendments to Bylaws

Section 8.1 Subject to the Act and Certificate of Incorporation. These Bylaws are subject to the provisions of the Act and the Institute’s certificate of incorporation, as it may be amended from time to time. If any provision in these Bylaws is inconsistent with a provision in the Act or the certificate of incorporation, the provision of the Act or the certificate of incorporation shall govern.

Section 8.2 Amendments to Bylaws. The Board shall have the power to make new Bylaws or to alter or amend existing Bylaws by the affirmative vote of at least one-half of the trustees present at any meeting for which notice has been given at least thirty (30) days before such action is taken, which notice shall include the substance of any such proposed new or amended Bylaw.

ARTICLE 9
Definition of Independent

Section 9.1 For purposes of constituting the Audit Committee and Human Resources Committee, an individual shall not be deemed “independent” if:

a. He or she is, or within the past three years was, affiliated with or employed by the Institute;

b. His or her immediate family member is, or within the past three years was, an executive officer of the Institute;

c. He or she is, or in the past three years was, affiliated with or employed by a present or former auditor of the Institute’s financial statements;

d. He or she receives or has received within the past three years, directly or indirectly, a consulting, advisory or other compensation fee from the Institute, other than a fee received for service on the Board, unless such fee for service was approved by the Audit Committee prior to commencing the service. If a service is requested, the effected member would be recused from participating in the approval process. A committee member shall be deemed to receive indirect compensation if an entity in which such committee member is a partner, member, controlling equity holder, executive officer, director or other principal provides accounting, consulting, legal, investment banking, financial, advisory or other similar
services to the Institute, for which such entity is compensated, regardless of whether the committee member actually performs such services;

e. He or she is, or in the past three (3) years was, employed as an executive officer of another entity for whom any of the Institute’s executive officers serve on such entity’s compensation committee or a body performing a similar function; he or she has an immediate family member in any of the foregoing categories within the past three (3) years; or

f. Either the Board or such committee member determines that such committee member has a relationship that would prohibit him or her from acting in the best interests of the Institute with respect to a particular matter that will likely come before the Committee.

ARTICLE 10
Indemnification and Insurance

Section 10.1. Indemnification. The Institute shall indemnify every corporate agent as defined in, and to the full extent permitted by, Section 15A:3-4 of the New Jersey Nonprofit Corporation Act, and to the full extent otherwise permitted by law. The right of indemnification and reimbursement provided by this Section 10.1 shall inure to the benefit of the heirs, executors and administrators of the person entitled to indemnification and shall apply whether or not the claim against such person arises out of matters occurring before or after the adoption of this Section. The Institute may, by Board resolution, reimburse expenses, including attorneys' fees and disbursements, incurred by a person in connection with a proceeding at a time when such person is a witness but has not been made or threatened to be made a party to such proceeding.

Section 10.2. Insurance. The Institute may, to the fullest extent permitted by applicable law from time to time in effect, purchase and maintain insurance on behalf of any person who is or was a Trustee, officer, employee, or a member of a committee of the Board against any liability asserted against such person and incurred by such person in any such capacity.