

## **BYLAWS**

for the regulation, except  
as otherwise provided by statute or  
its articles of incorporation,  
of

### **INTERNATIONAL THERMOELECTRIC SOCIETY**

a California nonprofit public benefit corporation  
(the "Corporation")

#### **I. CORPORATE NAME.**

##### **Section 1. Name.**

The name of this Corporation is INTERNATIONAL THERMOELECTRIC SOCIETY.

#### **ARTICLE II. OFFICES.**

##### **Section 1. Principal Office.**

The Corporation's principal office shall be fixed and located at such place as the Board of Directors ("Board") shall determine. The Board is granted full power and authority to change said principal office from one location to another.

#### **ARTICLE III. PURPOSE.**

##### **Section 1. Public Charity.**

The purposes of this Corporation shall be:

- TO PROMOTE an understanding of the role thermoelectric technology may play in environmental impact and mitigating global climate change;
- TO PROMOTE the advancement of the thermoelectric industry, science and engineering;
- TO PROMOTE collection and exchange of information and education which will benefit the thermoelectric community;
- TO PROMOTE systemization of measurements to and in comparison of materials and devices;

- TO PROMOTE awareness of the larger community to thermoelectric issues and solicit wider involvement;
- TO PROMOTE various forums of exchange of information and achievements;
- TO PROMOTE a mechanism for coordinating and promoting conferences; and,

other charitable activities associated with these goals as allowed by these Bylaws and otherwise provided by statute.

This Corporation's assets are irrevocably dedicated to scientific, educational and public benefit purposes. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to a nonprofit fund, foundation, or Corporation that is organized and operated exclusively for charitable or social welfare purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3) or 501(c)(4).

## **ARTICLE IV. MEMBERSHIP.**

### **Section 1. Members; Classes.**

This Corporation shall have one (1) class of voting members ("Members").

### **Section 2. Voting Members.**

Any person who is (a) dedicated to the purposes of the Corporation, (b) provides to the Corporation an annual payment of funds in an amount established from time to time by the Board, and, (c) does not engage in illegal, unethical, or unprofessional activities that are materially and seriously prejudicial to the Corporation's purposes and interests, shall be eligible for voting membership.

### **Section 3. Rights of Members.**

When a person becomes a Member of the Corporation, all rights and duties under these Bylaws shall become vested in that person, including, the submission of nominations for election to the Board of Directors, and participation in annual board elections. Members shall not have the right to vote on the removal of Directors, the number of seats on the Board, on the disposition of all or substantially all of the Corporation's assets, on any merger and its principal terms and any amendment of those terms, of the creation of any subsidiary organization, on any amendment of these Bylaws or to the articles of incorporation of this Corporation, and on any election to dissolve the Corporation.

#### **Section 4. Other Persons Associated with the Corporation.**

This Corporation may refer to persons or entities associated with it as “members,” even though those persons or entities are not voting members as set forth in Section 3 above, but no such reference shall constitute anyone as a member within the meaning of Corporations Code section 5056 unless that person or entity shall have qualified for a voting membership under Section 3 above. References in these Bylaws to “members” shall mean members as defined in Corporations Code section 5056; i.e., the members of the class set forth in Section 1 above. By amendment of its articles of incorporation or of these Bylaws, the Corporation may grant some or all of the rights of a Member to any person or entity that does not have the right to vote on the matters specified in Section 3 of this Article, but no such person or entity shall be a member within the meaning of Corporations Code section 5056.

#### **Section 5. Members in Good Standing.**

Members who are not suspended or whose membership is not terminated shall be Members in good standing subject to all the duties and rights established by these Bylaws.

#### **Section 6. Termination of Membership.**

A membership shall terminate on occurrence of any of the following events:

(a) Failure to pay the annual membership fee by the time the applicable annual membership meeting is convened;

(b) Resignation of the Member;

(c) Any event that renders the Member ineligible for membership such as death or incapacity, or failure to satisfy membership qualifications including but not limited to non-compliance of rules set forth by the Board; or

(d) Termination of membership under Section 8 of this Article based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the Member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the Corporation’s purposes and interests.

#### **Section 7. Suspension of Membership.**

A Member may be suspended, under Section 8 of this Article, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the Member has failed in a material and serious degree to observe the Corporation’s rules of conduct, or has engaged in conduct materially and seriously prejudicial to the Corporation’s purposes and interests.

A person whose membership is suspended shall not be a Member in good standing during the period of suspension and shall forfeit all rights granted by the Corporation under these Bylaws including but not limited to the right to participate in board elections.

## **Section 8. Termination or Suspension of Membership.**

If grounds appear to exist for suspending or terminating a Member under any of the provisions of Section 6 and 7 of this Article, except for Section 6(a), the following procedure shall be followed:

(a) The Board shall give the Member at least fifteen (15) days prior notice of the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the Member's last address as shown on the Corporation's records.

(b) The Member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered, by the Board or by a committee or person authorized by the Board to determine whether the suspension or termination should occur.

(c) The Board, committee, or person shall decide whether the Member should be suspended, expelled, or sanctioned in any way. The decision of the Board, committee, or person shall be final.

(d) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination.

A person whose membership is suspended or terminated shall not be a Member in good standing and shall forfeit all rights granted by the Corporation under these Bylaws including but not limited to the right to participate in board elections.

## **Section 9. Resignation.**

Any Member may resign effective upon giving written notice to the President or the Secretary of the Corporation.

## **Section 10. Transfer of Authority.**

No membership in this Corporation, or right arising therefrom, shall be assignable or transferable; all membership rights terminate on the Member's death or dissolution of the Corporation.

## **Section 11. Membership is Non-proprietary.**

No Member shall have any right or interest in the property or assets of this Corporation.

## **Section 12. Place of Meetings.**

Meetings of the Members shall be held at any place designated from time to time by the Board.

## **Section 13. Annual Meetings.**

The annual meeting of the Members for the election of the Board and the transaction of such other business as may properly come before the meeting, shall be held at a time and place as may be determined by the Board.

## **Section 14. Special Meetings; Authority to Call.**

There shall be no rights to call a special meeting of Members.

## **Section 15. Quorum.**

Ten percent (10%) of the Members shall constitute a quorum for the transaction of business at any meeting of Members.

## **Section 16. Quorum and Required Vote.**

Every act or decision done or made by a majority of the Members present at a meeting duly held at which a quorum is present shall be regarded as the act of the Members, unless a greater number is required by law, the articles of incorporation or these Bylaws.

Notwithstanding the preceding paragraph of this Section and except as otherwise required by law, the articles of incorporation, or these Bylaws, the Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough Members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.

## **Section 17. Eligibility to Vote.**

Subject to the California Nonprofit Public Benefit Corporation Law, Members in good standing on the day of any meeting of Members shall be entitled to vote at the meeting.

## **Section 18. Manner of Voting.**

Voting may be by voice or by ballot, at the sole discretion of the Board.

## **Section 19. Number of Votes.**

Each Member entitled to vote may cast one (1) vote on each matter submitted to a vote of the Members. Each board seat shall be considered a separate matter for purposes of these Bylaws.

## **Section 20. Action by Unanimous Written Consent.**

Any action required or permitted to be taken by the Members may be taken without a meeting, if all Members consent in writing to the action. The written consent or consents shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the Members.

## **Section 21. Adjournment and Notice of Adjourned Meetings.**

Any Members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the Members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than one year. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting.

# **ARTICLE V. DIRECTORS.**

## **Section 1. Powers.**

Subject to limitations of the articles of incorporation and these Bylaws, the activities and affairs of the Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the Corporation to any person or persons, a management company or committees however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. The Board shall NOT be allowed to delegate the power to vote on the removal of Directors, the number of seats on the Board, on the disposition of all or substantially all of the Corporation's assets, on any merger and its principal terms and any amendment of those terms, of the creation of any subsidiary organization, on any amendment of these Bylaws or to the articles of incorporation of this Corporation, and on any election to dissolve the Corporation.

## **Section 2. Number of Directors; Qualifications.**

The Board shall consist of at least nine (9) but no more than thirteen (13) directors unless changed by amendment to these Bylaws by a majority vote of a quorum of directors at a properly noticed meeting. The exact number of directors shall be fixed, within those limits, by a resolution adopted from time-to-time by the directors. The qualifications for directors are that (a) at least one (1) but no more than three (3) members of the Board shall be an officer of the Corporation, (b) the Board as a whole represent a broad cross-section of the community, (c) each Board member be a person who is dedicated to the purposes of the Corporation, and (d) each Board member read these Bylaws, know and understand the Conflicts of Interest Policy, and report any suspected violations or behavior inconsistent with these Articles.

### **Section 3. Nominations by Members; Review of Nominations by Committee.**

The chairman of the board or, if none, the Board President shall appoint a committee to administer the board nomination and election process (Election Committee). The Election Committee shall consist of no less than three (3) active members of the Board. It shall be the duty of the Election Committee to notify Members of open board positions and issue a call for nominations no less than six (6) months prior to the annual conference/membership meeting. The Members shall be notified of open board positions, and a call for nominations shall be given, in a manner determined by the Board from time to time but consistent with the goal of providing cost-effective notice to as many Members as possible. Members shall submit nominations and accompanying materials, as requested by the board, in a manner and format determined by the board. At least 30 days prior to the Board election, the Election Committee shall cause to be posted online at a location determined by the Board and reasonably communicated to the Members, the names of all qualified candidates. The list shall include the names of all candidates approved by the Election Committee for nomination and their qualifications.

### **Section 4. Selection of Directors.**

Each Director shall be elected to the Board by a majority vote of a quorum of Members at an annual meeting of Members, except as specified in Section 7 below.

### **Section 5. Term of Office.**

The term of office of a Director shall be three (3) years, except as otherwise noted in these Bylaws. New Directors shall assume office in a timeframe to be determined from time-to-time by the Board but in either case, no later than is reasonably necessary to conduct Board business for the upcoming year. A Director who is elected to fill a vacancy pursuant to Section 7 below shall assume office immediately and shall serve for the unexpired term of the Director being replaced.

### **Section 6. Removal from Office.**

Any member of the Board may be removed from office with or without cause by a super majority vote of the Board. For purposes of this Section, a super majority vote shall mean a vote of no less than two-thirds (2/3's) of all members of the Board in good standing.

### **Section 7. Vacancies; Appointment of Initial Directors.**

A vacancy or vacancies on the Board shall occur in the event of (a) the death, removal, or resignation of any Director; (b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law; (c) a vote by the Board to increase the number of seats on the Board; or (d) the failure of the Members, at any meeting of Members at which any Director or Directors are to be elected, to elect the number of Directors required to be elected at such meeting.

Such vacancy shall be filled by a majority vote of a quorum of Directors at the next meeting to hold such vote. Any Director may resign effective upon giving written notice to the Board President or the Board Secretary, unless such notice specifies a later time for the effectiveness of such resignation.

The President of the Board named by the Sole Incorporator in the Articles of Incorporation shall have the authority to appoint the Initial Directors of the Corporation which shall include, but need not be limited to, a board secretary and treasurer.

### **Section 8. No Vacancy on Reduction of Number of Directors.**

Any reduction of the authorized number of Directors shall not result in any Director's being removed before his or her term of office expires.

### **Section 9. Restriction on Interested Directors.**

Not more than forty-nine percent (49%) of the persons serving on the Board at any time may be "interested parties." An interested party is (1) any person being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as a director; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

### **Section 10. Place of Meeting.**

Meetings of the Board shall be held at any place within or without the State of California which has been designated from time to time by the Board.

### **Section 11. Annual Meetings.**

The Board shall hold an annual meeting for the purpose of organization, appointment of officers and the transaction of other business. Annual meetings of the Board shall be held at such time and place as the Board may designate that is convenient for attending the annual meeting of the Members

### **Section 12. Regular Meetings.**

Regular meetings of the Board shall be held without call or notice on such dates and at such times as may be fixed by the Board.

### **Section 13. Special Meetings.**

(a) Special meetings of the Board for any purpose or purposes may be called at any time by the Board President, the Board Secretary or any two Directors.



(b) Special meetings of the Board shall be held upon five (5) days' notice by first-class mail, facsimile, or by electronic means (e-mail or web posting on the Corporation's web site) or in exigent circumstances as determined by the Board President from time to time, four (4) hours' notice given personally or by telephone or wireless or other similar means of communication. Any such notice shall be addressed or delivered to each Director at such Director's address as it is shown upon the records of the Corporation or as may have been given to the Corporation by the Director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held.

(c) Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver.

#### **Section 14. Quorum.**

A majority of the Directors then in office shall constitute a quorum of the Board for the transaction of business, except to adjourn as provided below. 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 shall be regarded as the act of the Board, unless a greater number be required by law or by the articles of incorporation, except as provided in the next sentence. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

#### **Section 15. Waiver of Notice.**

Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

#### **Section 16. Adjournment.**

A majority of the Directors present, whether or not a quorum is present, may adjourn any Directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

## **Section 17. Action Without Meeting.**

Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such consent or consents shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

## **Section 18. Proxy Votes Allowed.**

Voting by proxy shall be allowed if the proxy is given (a) in writing, and (b) specifies whether the proxy granted is specific or general. Proxy votes shall not count in determining a properly constituted quorum but shall count when determining a majority vote of a properly constituted quorum of the Board.

## **Section 19. Committees.**

The Board may appoint one or more committees, each consisting of two or more Directors, and delegate to such committees any of the authority of the Board except with respect to:

- (a) The approval of any action for which the California Nonprofit Public Benefit Corporation Law or these Bylaws also requires approval of the Members or approval of a majority of all Members;
- (b) The filling of vacancies on the Board;
- (c) Except to the extent provided by Section 5233 of the California Nonprofit Public Benefit Corporation Law and these Bylaws, the approval of any self-dealing transaction, as such transactions are defined by these Bylaws.

Any such committee must be created, and the members thereof appointed, by resolution adopted by a majority of the authorized number of Directors then in office, provided a quorum is present, and any such committee may be designated an Executive Committee or by such other name as the Board shall specify. The Board may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of this Article applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee.

## **Section 20. Mandatory Committees; Accounting and Audit Committee.**

The Corporation shall have an audit committee consisting of at least one (1) Director, and may include nonvoting advisors. Directors who are employees or officers of the Corporation or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as Director) may not serve

on the audit committee. The audit committee shall perform the duties and adhere to the guidelines set forth in the Corporation's audit committee charter as amended from time to time by the Board. Such duties include, but are not limited to:

(a) Assisting the Board in choosing an independent accountant/auditor and recommending termination of the accountant/auditor, if necessary;

(b) Negotiating the accountant/auditor's compensation;

(c) Conferring with the accountant/auditor regarding the Corporation's financial affairs; and

(d) Reviewing and accepting or rejecting the year-end tax filings and periodic audits as requested by the Board from time to time.

If the Corporation has a finance committee, a majority of the members of the audit committee may not concurrently serve as members of the finance committee, and the chair of the audit committee may not serve on the finance committee.

## **Section 21. Mandatory Committees; Compensation Committee.**

If any officers of the Corporation are compensated, the Corporation shall have a compensation committee consisting of at least two (2) Directors and no one who is not a Director. Directors who are also employees of the Corporation may not serve on the compensation committee. Pursuant to Government Code section 12586(g) and the applicable provisions of federal law, the compensation committee shall review the compensation of the president/chief executive officer, treasurer/chief financial officer, and such other officers of the Corporation the compensation committee determines appropriate, annually and whenever a modification in compensation is proposed. The review shall include an evaluation of the performance of the officers and an analysis of appropriate comparability data. Based on its review, the compensation committee shall recommend just and reasonable compensation amounts for the officers to the Board. At the request of the President or the Board, the compensation committee shall review any issue involving staff compensation and benefits, including but not limited to housing, health, and retirement plans.

## **Section 22. Mandatory Committees; Investment Committee.**

This Corporation shall have an investment committee comprised of not less than two (2) Directors. The committee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the institution. Individual investments shall be considered as part of an overall investment strategy. The committee shall consider present and future financial requirements, expected total return, general economic conditions, the appropriate level of risk, appropriate levels of income, growth and long-term net appreciation, and the probable safety of the funds. The committee may retain professional money managers, and shall develop an investment policy that shall be

reconsidered at least annually, in light of the changing needs of the Corporation, economic conditions, and any other factors that may affect the Corporation's tolerance of risk and need for income. The committee may recommend the retention of property contributed by a donor (whether or not it produces income), and a donor's request should be a factor in making the determination of whether to sell a particular asset contributed by a donor.

### **Section 23. Conference Committee.**

This Corporation may convene a Conference Committee comprised of not less than three (3) Directors and Members. The purpose of the Conference Committee shall be to oversee site selection, Membership outreach, and organization of an annual conference and subsequent Member meeting. The Board shall elect from current Directors and/or Members, a Conference Chairperson to oversee administration of the Conference Committee. The Chairperson shall hold the position for no more than two (2) consecutive years. The Conference Chairperson shall oversee a call for nominations from the Members for a location. The location of each annual conference/Member meeting shall be announced at least six months prior to the annual conference. It shall be the duty of the Conference Committee to issue a call for proposed conference locations to the Members. Members shall submit location nominations and accompanying materials, as requested by the Conference Committee, in a manner and format to be determined from time-to-time. The Conference Committee shall make a recommendation to the board regarding a location. The Board shall approve or reject such recommendation by majority vote of the full Board and the location for the next annual conference shall be announced in a manner consistent with the Bylaws.

### **Section 24. Compensation.**

Directors shall not receive compensation for their services as directors, but may be reimbursed for expenses reasonably incurred by them in performing their duties as Directors. However, in no event shall more than forty-nine percent (49%) of the Directors be compensated for services provided to the Corporation.

## **ARTICLE VI. OFFICERS.**

### **Section 1. Officers.**

The officers of the Corporation shall be a President, a Secretary and a Chief Financial Officer or Treasurer ("Treasurer"). The Corporation may also have, at the discretion of the Board, a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be elected or appointed in accordance with the provisions of this Article. Any number of offices may be held by the same person except as provided in the articles of incorporation or in these Bylaws and except that neither the Secretary, Treasurer, nor any Vice President may serve concurrently as the President.

## **Section 2. Appointment.**

The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article, shall be chosen from time to time by, and shall serve at the pleasure of the Board. Officers of the Board shall hold their respective offices for periods specified in these Bylaws, or until their resignation, removal, or other disqualification from service, or until their respective successors shall be chosen. Officers of the Board shall be selected by rules agreed on by the Board from time to time, but any such rules shall specify that officers shall be elected by secret ballot, the candidate with the largest plurality of votes for each office wins, each board member is entitled to cast one (1) vote for each office.

## **Section 3. Subordinate Officers.**

The Board may appoint, and may empower the President to appoint, such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

## **Section 4. Removal and Resignation.**

Any officer may be removed, either with or without cause, by the Board at any time or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board. Any such removal shall be without prejudice to the rights, if any, of the officer under any contract of employment of the officer. Any officer may resign at any time by giving written notice to the Corporation, but without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

## **Section 5. Vacancies.**

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

## **Section 6. President.**

The President is the general manager and chief executive officer of the Corporation and has, subject to the control of the Board general supervision direction and control of the business and officers of the Corporation. The President shall preside at all meetings of the Board. The President has the general powers and duties of management usually vested in the office of president and general manager of a Corporation and such other powers and duties as may be prescribed by the Board. The President shall serve a term of three (3) full years beginning the first day of January of the 2<sup>nd</sup> year following the annual Member and/or Board meeting at which they were elected. After his/her term as the

President expires, he/she will remain on the Board as a Director until the next Annual meeting.

### **Section 7. Vice Presidents.**

In the absence or disability of the President, the Vice President, if any, elected by the Board, shall perform all the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for the office by the Board. The Vice Presidents shall serve a term of one (1) full year, plus any period of time between the Board meeting at which he/she is elected to the position and the first day of the first month of January following the annual Member meeting.

### **Section 8. Secretary.**

(a) The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of the Board and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board and committee meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California the original or a copy of the Corporation's articles of incorporation and Bylaws, as amended to date.

(b) The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by these Bylaws or by law to be given, and shall have such other powers and perform such other duties as may be prescribed by the Board.

(c) The Secretary shall serve a term of three (3) full years beginning the first day following the annual Member and/or Board meeting at which they were elected.

### **Section 9. Treasurer.**

(a) The Treasurer is the chief financial officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation. The books of account shall at all times be open to inspection by any Director.

(b) The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the President and the Directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board.

(c) The Treasurer shall serve a term of three (3) full years beginning the first day following the annual Member and/or Board meeting at which they were elected.

## **Section 10. Term Limits.**

No Officer shall serve in the same elected position longer than a period of two (2) consecutive terms.

## **ARTICLE VII. INDEMNIFICATION.**

### **Section 1. Definitions.**

For the purposes of this Article:

(a) “Agent” means any person who is or was a Director, officer, employee or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise;

(b) “Proceeding” means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and

(c) “Expenses” include, without limitation, attorneys’ fees and any expenses of establishing a right to indemnification under Section 4 or 5(b) of this Article.

### **Section 2. Indemnification in Actions by Third Parties.**

The Corporation shall indemnify any person who was, or is a party to, or is threatened to be made a party to, any Proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an Agent of the Corporation, against Expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person’s conduct was unlawful.

### **Section 3. Indemnification in Actions by or in the Right of the Corporation.**

The Corporation shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 5233 of the California Nonprofit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an Agent,

against Expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. Notwithstanding the foregoing, no indemnification shall be made under this Section 3:

(a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

#### **Section 4. Indemnification Against Expenses.**

To the extent that an Agent of the Corporation has been successful on the merits in defense of any Proceeding referred to in Sections 2 or 3 of this Article, or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the Agent in connection therewith.

#### **Section 5. Required Determinations.**

Except as provided in Section 4 of this Article, any indemnification under this Article shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the Agent is proper in the circumstances because the Agent has met the applicable standard of conduct set forth in Section 2 or 3 of this Article, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to such Proceeding(s); or

(b) The court in which such Proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

#### **Section 6. Advance of Expenses.**

Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on



behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

### **Section 7. Other Indemnification.**

No provision made by the Corporation to indemnify the Corporation's Directors or officers for the defense of any proceeding, whether contained in the articles of incorporation, these Bylaws, a resolution of the Members or Board of Directors, an agreement or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which persons other than such Directors and officers may be entitled by contract or otherwise.

### **Section 8. Forms of Indemnification Not Permitted.**

No indemnification or advance shall be made under this Article, except as provided in Sections 4 or 5(b), in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the articles of incorporation, these Bylaws or an agreement in effect at the notice of the accrual of the alleged cause of action asserted in the Proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a Court in approving a settlement.

### **Section 9. Insurance.**

Upon and in the event of a determination by the Board of Directors to purchase such insurance, the Corporation shall purchase and maintain on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the Agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Corporation Law.

## **ARTICLE VIII. SELF-DEALING TRANSACTIONS.**

### **Section 1. Definition.**

A self-dealing transaction means a transaction to which the Corporation is a party and in which one or more of the Directors ("Interested Director(s)") has a material financial interest. Notwithstanding this definition of a self-dealing transaction, the following transactions are not self-dealing transactions, and are subject to the Board of Directors' general standard of care:

(a) An action by the Board fixing the compensation of a Director as a Director or officer of the Corporation;

(b) A transaction which is part of a public or charitable program of the Corporation if the transaction is: (1) approved or authorized by the Corporation in good faith and without unjustified favoritism, and (2) results in a benefit to one or more Directors or their families because they are in a class of persons intended to be benefited by the program; or

(c) A transaction of which the Interested Directors have no actual knowledge, and which does not exceed the lesser of (1) one percent (1%) of the Corporation's gross receipts for the fiscal year immediately preceding the year in which such transaction occurs, or (2) One Hundred Thousand Dollars (\$100,000).

## **Section 2. Action of the Board of Directors**

If the transaction appears to be a self-dealing transaction, the Interested Director must demonstrate the following in order to sustain the validity of the transaction:

(a) That, prior to consummating the transaction or any part thereof, the Board authorized or approved the transaction in good faith by vote of a majority of the Directors then in office excluding the vote of the Interested Director(s) and with knowledge of the material facts concerning the transaction and the Interested Director's interest in it. Except as provided in Section 4 of this Article, action by a committee of the Board will not satisfy this requirement;

(b) That either:

(1) Prior to authorizing or approving the transaction, the Board of Directors considered and in good faith determined after reasonable investigation that the Corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; or

(2) The Corporation in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances;

(c) That the Corporation entered into the transaction for its own benefit;  
and

(d) That the transaction was fair and reasonable as to the Corporation at the time the Corporation entered into the transaction.

## **Section 3. Interested Director's Vote.**

In determining whether the Board validly met to authorize or approve a self-dealing transaction, Interested Directors may be counted to determine the presence of a quorum, but an Interested Director's vote may not be counted toward the required majority for such authorization, approval or ratification.

#### **Section 4. Committee Approval.**

A Board committee may approve a self-dealing transaction in a manner consistent with the standards prescribed for approval by the Board if: (a) it was not reasonably practical to obtain approval of the Board prior to entering into the transaction; (b) the Board determines in good faith that the committee met the same requirements the Board would have had to meet in approving the transaction; and (c) the Board ratifies the transaction at its next meeting by a vote of a majority of the Directors then in office, excluding the vote of the Interested Director(s).

#### **Section 5. Persons Liable and Extent of Liability.**

If a self-dealing transaction has not been approved as provided above, the Interested Director(s) may be required to do such things and pay such damages as a court may provide as an equitable and fair remedy to the Corporation, considering any benefit received by it and whether or not the Interested Director(s) acted in good faith and with the intent to further the best interests of the Corporation.

#### **Section 6. Corporate Loans and Advances.**

The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or officer, unless such loan is approved by the Attorney General; provided, however, that the Corporation may advance money to a Director or officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such Director or officer, if, in the absence of such advance, such Director or officer would be entitled to be reimbursed for such expenses by the Corporation.

#### **Section 7. Annual Statement of Certain Transactions.**

The annual statement required by Section 6322 of the California Nonprofit Corporation Law shall be furnished to the Board of Directors for any fiscal year in which a transaction or indemnification of the kind described in (a) or (b) below took place:

(a) A transaction in which the Corporation or an affiliate or subsidiary was a party and a Director or officer of the Corporation or an affiliate or subsidiary had a direct or indirect material financial interest and which involved Fifty Thousand Dollars (\$50,000) or more or which was one of a number of such transactions which involved the same interested party and which amounted in the aggregate to Fifty Thousand Dollars (\$50,000) or more in any consecutive twelve (12) month period; or

(b) Any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year to any officer or Director of the Corporation or an affiliate or subsidiary of the Corporation. Such statement shall be mailed or delivered to the Board of Directors within one hundred twenty (120) days after the close of the Corporation's fiscal year.

## **Section 8. Annual Financial Report.**

In addition to Section 7 above, the Board shall cause a financial report to be prepared within one hundred twenty (120) days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds;
- (c) The Corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- (d) The Corporation's expenses or disbursements for both general and restricted purposes;
- (e) An independent accountant's report or, if none, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an annual report shall not apply if the Corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors. If the Board approves, the Corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission.

## **ARTICLE IX. CONFLICTS OF INTEREST POLICY.**

### **Section 1. Purpose**

The purpose of the conflicts of interest policy set forth in this Article is to protect the interests of the Corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Corporation. This policy is intended to supplement but not replace Article VIII of these Bylaws and any applicable state laws governing conflicts of interest applicable to nonprofit public benefit corporations.

### **Section 2. Definitions.**

- (a) **Interested Party.** Any Director, officer, or member of a committee with powers delegated by the Board who has a direct or indirect financial interest, as defined below, is an "interested party."
- (b) **Financial Interest.** A person has a "financial interest" if the person has, directly or indirectly, through business, investment or family:

(1) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, or

(2) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

(3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

(c) Compensation. "Compensation" includes all direct and indirect remuneration as well as gifts or favors that are substantial in nature.

### **Section 3. Procedures.**

(a) Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested party must disclose the existence and nature of his or her financial interest to the Directors and members of committees with Board-delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest, the interested party shall leave the Board or committee meeting while the financial interest is discussed and voted upon. The remaining Board or committee members shall decide if conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(1) The chairperson of the Board or committee (or, if the chairperson is the interested party, a member of the Board or committee appointed by him/her who is not an interested party) shall, if appropriate, appoint a disinterested party or committee to investigate alternatives to the proposed transaction or arrangement.

(2) After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

(3) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict interest, the Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) Violations of the Conflicts of Interest Policy.

(1) If the Board or committee has reasonable cause to believe that a Director or officer or committee member has failed to disclose actual or possible conflicts of interest, it shall inform the Director, officer or committee member of the basis for such

belief and afford the Director; officer or committee member an opportunity to explain the alleged failure to disclose.

(2) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the Director, officer or committee member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Section 4. Records of Proceedings.**

The minutes of the Board and all committees with Board-delegated powers shall contain:

(a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed; and

(b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

#### **Section 5. Compensation Committees.**

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that committee member's compensation.

#### **Section 6. Annual Statements.**

Each Director, officer and member of a committee with Board-delegated powers shall annually sign a statement which affirms that such person:

(a) has read the conflicts of interest policy set forth in this Article;

(b) has read and understands the policy;

(c) has agreed to comply with the policy; and

(d) understands that the Corporation is a nonprofit public benefit corporation and that in order to maintain its federal and state tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## **Section 7. Periodic Reviews.**

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal and state income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include a review of whether the Corporation's compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.

## **Section 8. Use of Outside Experts.**

In conducting the periodic reviews provided for in this Article, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

# **ARTICLE X. MISCELLANEOUS.**

## **Section 1. Checks, Drafts, Etc.**

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed by at least one officer of the Corporation or by such person or persons and in such manner as, from time to time, shall be determined by a resolution of the Board.

## **Section 2. Corporate Contracts and Instruments.**

Except as otherwise provided by a resolution of the Board, any two (2) Board-appointed officers may enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and unless authorized by the Board, no other agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

## **Section 3. Records.**

The Corporation shall keep adequate and correct books and records of accounts and shall keep minutes of the proceedings of its Board and the committees, if any, of the Board. Such minutes shall be in written form. Such other books and records shall be kept either in written form or in any other form capable of being converted into written form.

## **Section 4. Construction and Definitions.**

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

## **ARTICLE XI. AMENDMENTS.**

### **Section 1. Amendment by Members.**

New Bylaws may be adopted or these Bylaws may be amended or repealed only by a) approval of the Board.

### **Section 2. Record of Amendments.**

Any amendment or alteration in these Bylaws shall be forthwith filed with the original Bylaws of the Corporation.



CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of International Thermoelectric Society, a California nonprofit public benefit corporation, and that the foregoing Bylaws, comprising 25 pages, constitutes the Bylaws of said Corporation as duly adopted by the Board of Directors on 30 September, 2009 and confirmed as the Bylaws of the Corporation by the Board of Directors dated 30 September, 2009, and have not, as of the date set forth below, been modified, amended or superseded.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 30 day of September, 2009.

  
Secretary