

# **BY-LAWS OF ECONOMISTS FOR PEACE AND SECURITY**

**As adopted January 9, 2005,**  
**and amended by the meeting of the Fellows, Jan. 8, 2006**

## **ARTICLE I**

### **Name**

**Section 1. Name.** The name of this Corporation shall be Economists for Peace and Security.

**Section 2. Offices.** The principal office of the Corporation shall be located in the County of Dutchess, State of New York. This office shall direct Corporation activities and be the depository for all Corporation records. The Corporation may also have offices at such other places as the board may from time to time determine or the business of the Corporation may require. The scope of work of the Corporation is national, even international, as this is the level at which economies and militaries operate.

## **ARTICLE II**

### **Purpose**

#### **Section 1. Mission Statement.**

Whereas, recognition of the inherent dignity and of the equal rights of all members of the human family is the foundation of freedom, justice and peace in the world; and everyone is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social, cultural and security rights indispensable for human dignity and the free development of personality; and

Whereas, war and violent conflict disrupt the social and economic fabric of societies and interfere with the well-being of individuals; and

Whereas, economic policies and institutions can either prevent or mitigate violence or can contribute to it; and

Whereas, we as professional economists believe that our discipline has a positive contribution to make to peace and human welfare;

Therefore, we seek to create and promote a better understanding and a more friendly relationship between races, nations, and classes of people; to foster a desire for universal perpetual peace on the part of the several nations of the world; to promote the movement for world disarmament, nuclear disarmament, and a reduction in the stockpiling of weapons by all countries; to support efforts to create economic incentives for peaceful relations; to promote collective approaches to conflict and security problems; to encourage the submission of international disputes to negotiation, arbitration, judicial settlement, the United Nations or other multinational institutions for the settlement of controversies;

To engage in programs of education, relating to the above purposes; to join in partnership with economists and others to increase public understanding and to educate policy makers and citizen advocates that nuclear and other weapons represent a threat to the existence of human life and civilization, and that disarmament and development are interdependent goals; and to promote greater understanding of the full range of economic causes, costs and consequences of violent conflict.

To undertake rigorous economic analysis and to present just, peaceful policy alternatives; to organize meetings and seminars, publish articles, exchange opinions with scholars, and government and non-government representatives, and cooperate with like-minded organizations in other professions;

To do any other act or thing incidental to or connected with the foregoing purpose or in advancement thereof, as permitted and authorized under the not-for-profit corporation law of the State of New York.

**Section 2. Short Version of Mission.** Economists for Peace and Security is a nongovernmental partnership of economists and other citizens combining rigorous economic analysis, the development of policy alternatives, and the education of policy makers and citizen advocates, to achieve peaceful solutions to conflict that recognize the economic, social, cultural and security rights that are inherent to human dignity and well-being.

**Section 3.** The corporation elects to be under the jurisdiction of section 501(h) of the Internal Revenue Service Code applying to lobbying activities.

## **ARTICLE III Membership**

**Section 1. Classes of Membership Authorized.** The Corporation shall have two classes of members. The first shall be called 'Members' and they shall not have voting rights. The second, voting, group shall be called 'Fellows.'

**Section 2. Criteria for Membership.** The Board of Directors may establish criteria for membership, including a schedule of dues, and any waivers thereof, as well as procedural requirements for prospective members, unless otherwise proscribed by law, the Certificate of Incorporation and/or these By-Laws. The Members will not be entitled to vote for the Board of Directors.

**Section 3. Criteria for Fellows.** The Board of Directors may establish criteria for fellowship, including procedural requirements for prospective fellows, unless otherwise proscribed by law, the Certificate of Incorporation and/or these By-Laws. All Fellows must be Members in good standing. New Fellows will be nominated and approved by majority vote of the existing Fellows at the regularly scheduled annual meeting of the Fellows. The Fellows will function to elect the members of the Board of Directors for the Corporation.

**Section 4. Evidence of Membership.** Each Member shall be issued a membership card or certificate indicating the appropriate membership form of the Member. Membership and membership cards or certificates are not transferable.

**Section 5. Annual Meeting.** A meeting of the Fellows shall be held for the election of Directors and the transaction of business in the month of January of each year on any day in that month as determined by the Board of Directors.

A membership roll showing the list of Fellows as of the record date, certified by the secretary of the corporation, shall be produced at any meeting of Fellows upon the request therefore of any Fellow who has given written notice to the corporation that such a request will be made at least ten days prior to such meeting. All persons appearing on such Fellowship roll shall be entitled to vote at the meeting.

**Section 6. Special Meetings.** Special Meetings of the Fellows may be called at any time by the Chair of the Board of Directors, or a majority vote of the Board of Directors, provided there is a quorum at the meeting of the Board of Directors at which the action for a Special Meeting is taken, or upon the written request of at least ten (10) percent of the qualified voting Fellows of the Corporation.

**Section 7. Action by Fellows Without a Meeting.** Whenever under the Not-for-Profit Corporation Law, the Fellows are required or permitted to take any action or vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by all the Fellows thereon.

No other business but that specified in the notice may be transacted at such special meeting without the unanimous consent of all present at such meeting.

**Section 8. Place of Meetings.** Meetings of the Fellows shall be held at the principal office of the Corporation or at such other place, within or outside the State of New York, as may be fixed by the Board of Directors.

**Section 9. Notice of Meetings.** For the purpose of determining the Fellows entitled to notice of or to vote at any meeting of Fellows or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining the Fellows entitled to receive any distribution or any allotment of any rights, or for the purpose of any other action, the board shall fix, in advance, a date as the record date for any such determination of Fellows. Such date shall not be more than fifty nor less than ten days before any such meeting, nor more than fifty days prior to any other action.

**9.1. Written Notice.** Written notice shall be given to Fellows of each meeting of the Fellows. Notices shall state the place, dates and hours of the meeting and, unless it is an annual meeting or convention, shall also indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a Special Meeting shall

also state the purpose or purposes for which it is being called. A copy of the notice of any meeting shall be given, personally or by first class mail not less than ten (10) nor more than fifty (50) days before the date of the meeting, or by another class of mail not less than thirty (30) nor more than sixty (60) days before such date, to all Fellows at such meeting. If mailed, such notice is given when deposited in the United States mail, with postage thereon pre-paid, directed to the Fellow at the Fellow's address as it appears on the record of Fellows, or if the Fellow has filed with the Secretary a written request that notices to the Fellow be mailed to some other address, then directed to the Fellow at such other address.

**9.2 Waiver of Notice.** Notice of meetings of the Fellowship need not be given to any Fellow entitled to vote who submits a signed waiver of notice, whether before or after the meeting. The attendance of any Fellow entitled to vote at a meeting without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by the Fellow.

**Section 10. Quorum.** A quorum shall be required for the legal and proper conduct of the business of the Fellows. A majority of the total number of votes entitled to be cast at a meeting of the Fellows shall constitute a quorum for the transaction of any business. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any Fellows

**Section 11. Adjournment.** A majority of the Fellows present at any meeting of the Fellows, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the adjournment shall be given to all Fellows absent at the time of the adjournment, and unless such time and place are announced at the meeting, to the other Fellows.

## **Section 12. Organization**

**12.1. Chairperson.** At all meetings of the Fellows, the Chair of the Board of Directors or, in his/her absence, the Vice Chair(s) or, in his/her absence, another Director chosen by the Fellows shall preside.

**12.2. Secretary.** At all meetings of the Fellows, the Secretary, or, in his/her absence, any Assistant Secretary or, in his/her absence, another Director chosen by the Fellows, or a designated representative, shall act as secretary at the meeting.

## **Section 13. Qualification of Voters.**

**13.1. Votes Authorized.** Every Fellow of record of the Corporation shall be entitled to one vote upon each proposition coming before the annual Meeting or any Special Meeting of the Fellows.

**13.2. Qualification.** The Board of Directors may fix a date as the record date for the purpose of determining the Fellows entitled to vote at any meeting of the Fellows or any adjournment thereof, or to express consent to or dissent any proposal

without a meeting. The record date shall not be more than fifty (50) nor less than ten (10) days before the date of the meeting.

#### **Section 14. Voting**

**14.1 Election of Directors and Trustees.** Members of the Board of Directors shall be elected by a plurality of the votes cast at a meeting of the Fellows except as may otherwise be required by law, the Certificate of Incorporation and/or these By-Laws.

**14.2. Other Actions of the Membership.** Whenever any corporate action, other than the election of Directors, is to be taken by vote of the Fellows, it shall, except as otherwise may be required by law, the Certificate of Incorporation and/or these By-Laws, be authorized by a majority of the votes cast at such meeting.

#### **Section 15. Proxies.**

**15.1. Proxies Authorized.** Every member entitled to vote at a meeting of the Fellows or to express consent or dissent without a meeting may authorize another person or persons to act for such Fellow by proxy.

**15.2. Validation.** Every proxy must be signed by the Fellow or the Fellow's attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided by proxy.

**15.3. Revocation.** Every proxy shall be revocable at the pleasure of the Fellow executing same, except as may otherwise be provided by law. The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the Fellow who executed the proxy, unless, before the authority is exercised, written notice of an adjudication of incompetence or of death is received by the Secretary or Assistant Secretary.

#### **Section 16. Inspectors of Election.**

**16.1. Appointment.** The Board of Directors, in advance of any meeting of the Fellows, may appoint one (1) or more inspectors to act at the meeting or any adjournment thereof. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or by the Chairperson thereat. Each inspector, before entering upon the discharge of his/her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his/her ability.

**16.2. Powers.** The inspectors shall devise the procedures by which Corporate votes and elections are to be held. It shall be the responsibility of the inspectors to: determine the number of Fellows certificates outstanding and the voting powers of each; certify the existence of a quorum; assess the validity and effect of proxies; hear all challenges and questions arising in connection with the right to vote; receive all votes or ballots; count and tabulate all votes or ballots; determine the results and certify the validity of all votes and elections; and, do such other and further acts as may be required to conduct elections or votes with fairness to all Fellows. On request of the Chairperson, or any Fellow

entitled to vote at the meeting. The inspectors shall make a report, in writing, of any challenge, question or matter determined by them any execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them

**Section 17. List of Members at Meeting.** A list or record of Fellows, certified by the Secretary or any Assistant Secretary, shall be produced at any meeting of the Fellows upon the request therefore of any Fellow who has given written notice to the Corporation that such request will be made at least ten (10) days prior to such meeting. If the right to vote at any meeting is challenged, the inspectors of election, or person presiding thereat, shall require such list or record of Fellows to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list of record to be Fellows thereat may vote at such meeting.

## **ARTICLE IV**

### **Directors**

**Section 1. General Management.** The general management of the affairs of this Corporation shall be vested in a Board of Directors. The Board of Directors shall have control of the property of the Corporation, shall ensure its financial health, and shall determine and oversee its policies. It shall have power to employ a professional manager, authorize expenditures and take all necessary and proper steps to carry out the purposes of this Corporation and to promote its best interest.

**Section 2. Number.** There shall be at least five (5), but no more than ten (10), seats on the Board of Directors, including Officers.

**Section 3. Qualifications.** Each member of the Board of Directors must be at least eighteen (18) years of age and a Member of the Corporation.

**Section 4. Compensation.** Members of the Board of Directors shall receive no compensation for their services but may be reimbursed for the expenses reasonably incurred by them in the performance of their duties.

#### **Section 5. Selection Procedure of Directors, Terms of Office & Vacancies.**

**5.1. Selection.** The Fellows shall elect all Directors of the Corporation.

**5.2. Selection Procedure.** All Fellows shall cast a vote for a number of candidates equal to the number of vacancies to be filled until the required number of Board members, as specified in Section 2 of this article, is achieved. If, at any time during this process, there is a tie among a number of candidates, which number is greater than the number of vacancies remaining, the voters shall thereupon vote again, casting a number of votes equal to the remaining vacancies. Only the candidates who are tied may run in this subsequent election. The remaining vacancies shall be filled as outlined above. All subsequent ties shall be dealt with as outlined herein.

**5.3. Terms of Office.** The term of office for a Board member shall be three (3) years unless otherwise provided in these By-Laws. The terms of office for all Directors shall begin on the day of their election and shall conclude upon the election of their successors. No Director may serve more than ten (10) consecutive terms.

**5.4. Vacancies.** A vacancy in office shall arise upon the death, resignation, removal or lapse of a Director. Except in the cases of the office of Chair, a vacancy on the Board of Directors occurring in the interim between Annual Meetings shall be filled by an interim successor appointed by the Board of Directors. At the next Annual Meeting following the vacancy, the Fellows shall elect a permanent successor for the vacated position. In the event that the interim successor is subsequently elected to serve as a permanent successor, the first year of his/her term shall be deemed to have commenced upon his/her election, without regard to the duration of interim service.

### **Section 7. Suspension & Removal.**

**7.1. Suspension.** Any or all of the members of the Board of Directors may be suspended for cause by a two-thirds (2/3) majority vote of the Board, provided there is a quorum for the meeting at which the action is taken. The period of suspension can last only until such time as the next regularly scheduled Annual Meeting or another Special Meeting of the Fellows.

**7.2. Removal.** Any or all of the Directors or Trustees may be removed with or without cause by a two-thirds (2/3) majority vote of the Fellows, provided there is a quorum for the meeting at which the action is taken.

**Section 8. Meetings.** The Board of Directors shall convene Regular Meetings on a quarterly basis. Regular Meetings of the Board of Directors may be held, with, or without, notice at such times as may be fixed from time to time by resolution of the Board of Directors. Special Meetings of the Board of Directors shall be held whenever called by the Chair, the Secretary, or any three (3) Directors. Notice of Special Meetings shall be given personally or by telephone, electronic mail, facsimile or first class mail and shall state the purposes, time and place of the meeting. If notice is given personally or by telephone it shall be given not less than three (3) days before the meeting; if it is given by electronic mail, facsimile or first class mail, it shall be given not less than five (5) days before the meeting. Notice of a meeting need not be given to any Director who submits a waiver of notice whether before or after the meeting or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

**Section 9. Quorum.** A quorum shall be required for the legal and proper conduct of the business of the Board of Directors. A majority of the total number of members of the Board of Directors then in existence shall constitute a quorum for the transaction of any business. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any Members.

**Section 10. Adjournment.** A majority of directors present at a meeting of the Board of Directors, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the adjournment shall be given to all Directors who were absent at the time of the adjournment, and unless such time and place are announced at the meeting, to the other Directors

**Section 11. Organization.**

**11.1. Chairperson.** At all meetings of the Board of Directors, the Chair, or, in his/her absence, a Vice Chair(s) or, in his/her absence, another Director chosen by the Board shall preside.

**11.2. Secretary.** At all meetings of the Board of directors, the Secretary, or, in his/her absence, any Assistant Secretary or, in his/her absence, another Director or other substitute chosen by the Board shall act as secretary of the meeting.

**Section 12. Action by the Board of Directors.**

**12.1. Action Defined.** Each member of the Board of Directors shall have one vote. Except as otherwise provided by law or in these By-Laws, an "Action," or "Act," of the Board of Directors shall mean an action at a meeting of the Board authorized by vote of a majority of the Directors present at the time of the vote, provided a sufficient quorum is present. The purchase, sale, mortgage or lease of real property shall only be authorized by vote of a two-thirds (2/3) majority of the Directors present at the time of the vote, provided a sufficient quorum is present. The sale, lease, exchange or other disposition of all, or substantially all, the assets of the Corporation shall only be authorized by vote of a two-thirds (2/3) majority of the Directors present at the time of the vote, provided a sufficient quorum is present, and a court of competent jurisdiction in the county where the Corporation maintains its principal place of business, if required by law.

**12.2. Electronic Communication.** Directors may participate in any meetings of the Board of Director via a teleconference telephone or similar means of electronic communication, provided that the means utilized allow the participants of the meeting to hear each other at all times.

**12.3. Attendance.** A member of the Board of Directors who has missed three (3) consecutive meetings without reasonable cause may be asked to resign. After the second meeting, the Secretary shall mail a letter to the subject Board member informing him/her that if he/she does not attend the third meeting, a motion to this effect may be made at the fourth meeting. He/she may attend this fourth meeting to argue in his/her defense

**Article V  
Committees**

**Section 1. Appointments.**

**1.1. Standing Committees.** By a majority vote, the Board of Directors shall appoint members of the Board to serve on the following standing committees, which advise the Board as a whole: Executive; Audit & Finance; and Board Development.

**1.2. Ad Hoc Committees.** Additional committees may be created and committee members appointed by a majority vote of the Board of Directors as may be needed for special purposes.

**Section 2. Powers and Responsibilities.** Each committee and every member thereof shall serve at the pleasure of the Board of Directors. Except as otherwise be provided by Section 6 of this Article, no committee shall have the power to represent, bind or otherwise speak for the Corporation without the express consent of the Board of Directors. Each committee shall keep minutes of proceedings and regularly report to the Board of Directors.

**Section 3. Qualifications.** The Board of Directors may establish qualifications for committee members.

**Section 4. Meetings.** Unless otherwise provided herein, meetings of committees, of which no notice shall be necessary, shall be held at such time and place as shall be fixed by the Chair of the Corporation or the Chairperson of the Committee or by a majority vote of all of the members of the Committee.

**Section 5. Quorum and Manner of Acting.** Unless otherwise provided by resolution of the Board of Directors, a majority of all of the members of a committee shall constitute a quorum for the transaction of business and the vote of a majority of all of the members of the committee shall be the act of the committee. The procedures and manner of acting of the committees of the Board shall be subject at all times to the Directions of the Board of Directors.

**Section 6. Executive Committee.** The Executive Committee shall be comprised of the elected Officers of the Corporation, to wit: Chair, Vice Chair(s), Secretary and Treasurer. Additional members of the Board of Directors may be appointed to serve on the Committee at the discretion of the Board. The Chair shall serve as the Chair of the Executive Committee. The Executive Committee shall maintain surveillance of the business and affairs of the Corporation and shall be empowered to transact only such business as may be necessary between meetings of the Board of Directors. The Committee shall be responsible for overseeing the personnel affairs of the Corporation, including, but not limited to developing and reviewing personnel policies and hiring, training, supervising, evaluating and, if necessary, terminating the Corporation's Executive Director. The Committee shall also be responsible for ensuring that the Corporation engages in strategic planning. Meetings of the Committee may be called by the Chair or by any two (2) members of the Committee. The Committee shall submit a report of its actions at all regularly scheduled or special meetings of the Board of Directors.

**Section 7. Audit & Finance Committee.** The Audit and Finance Committee shall be comprised of appointed members of the Board of Directors, excepting that in no circumstance shall the Corporation's independent auditor; or a partner, associate or employee of the auditor's firm or practice; or, an immediate family member or household member of the auditor, or a partner, associate or employee of his/her firm or practice serve on, or otherwise volunteer his/her services to, the Committee. The Treasurer of the Corporation shall serve as a member of the Committee, but shall be precluded from serving as its Chair. The Committee shall develop a budget for approval by the Board of Directors; propose policies governing the finances of the Corporation for adoption by the Board; review any and all audits of the Corporation or any of its programs or contracts performed at its behest; and, respond in writing, subject to the ultimate approval of the Board of Directors, to such audits, including the management letter, stating any and all remedies to deficiencies or improvements in fiscal policies and procedures cited or recommended.

**Section 8. Board Development Committee.** The Board Development Committee shall consist of members of the Board of Directors. The Committee shall be responsible for ensuring that the composition of the Board of Directors accurately reflects the terms of Board and Committee members; regularly assessing the composition and function of the Board; recruiting and nominating Officers and Directors; and, coordinating orientation for new Directors and assuring the continued development and training of the Board.

## **ARTICLE VI Officers**

**Section 1. Officers, Election, Term.** The Chair of the Board of Directors shall be elected by the Fellows. The Board of Directors shall elect by majority vote Vice-Chair(s), Secretary and Treasurer, and such other Officers as it may determine, who shall be given such duties, powers and functions as hereinafter provided. Officers shall be elected to hold office for one (1) year from the date of election. Each Officer shall hold office for the term for which he or she is elected and until his or her successor has been elected. Any two or more offices may be held by the same person, except the offices of Chair and Secretary.

**Section 2. Removal, Resignation.** Officers serve at the discretion of the Board of Directors. Any Officer elected by the Council may be removed by the Council. In the event of the death, resignation or removal of an Officer, the Chair of the Council shall appoint an acting successor to fill the un-expired term. This appointment shall be confirmed or disapproved by the full Council within the next two regular meetings.

**Section 3. Duties.** Any officer elected or appointed by the board may be removed by the board with or without cause. In the event of the death, resignation or removal of an officer, the board in its discretion may elect or appoint a successor to fill the unexpired term. Any two or more offices may be held by the same person, except the offices of Chair and secretary.

**3.1. Chair.** The Chair shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He/she shall preside at all meetings of the members and of the Board of Directors. The Chair, the Secretary or any other proper officer of the Corporation authorized by the Board of Directors may sign any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws or by statute to some other Officer or agency of the Corporation. In general the Chair shall perform all duties as may be prescribed by the Board of Directors from time to time.

**3.2. Vice Chair(s).** In the absence of the Chair, or in the event of his/her inability or refusal to act, a Vice Chair shall be designated to perform the duties of the Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. There may be up to three Vice-Chairs, who may be each assigned a particular program area to oversee. The Vice Chair(s) shall perform such other duties as from time to time may be assigned to him/her by the Chair and/or the Board of Directors.

**3.3. Secretary.** The Secretary, or a representative designated by him/her, shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these by-laws or as required by law, and be custodian of the corporate records of the Corporation. The Secretary shall keep a register of the post office address of each member and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Chair and/or the Board of Directors. In addition, the Secretary shall notify members of their election to office or their appointment to committees and keep a record of the transactions of the Corporation and of the Executive Council.

**3.4. Treasurer.** The Treasurer shall be responsible for the supervision of an account of all monies received or expended by the by the Corporation. In general, the treasurer shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the Chair or by the Board of Directors. He/she shall report to the Council at all meetings, according to a format prescribed by the Board of Directors.

**3.5. Professional Manager.** The Board of Directors may employ an Executive Director (chief administrative officer) who shall have general charge, subject to the overall control and direction of the Board, oversight and direction of the affairs and business of the Corporation, and sole responsibility for the employment and discharge of staff. The Executive Director shall be the principal administrative officer of the Corporation, charged with the duties of effectuating the purposes of the Corporation, carrying out the directives of the Board of Directors in performing any and all functions necessary and proper to ensure that the policies, objectives and aims of the Corporation are carried out.

**ARTICLE VII**  
**Duty of Loyalty & Conflicts of Interest**

**Section 1. Duty of Loyalty.** No Officer or Director shall engage in, or condone, any conduct that is disloyal, disruptive, damaging or competes with the Corporation. No Officer or Director shall take any action, or establish any interest, that compromises his/her ability to represent the Corporation's best interest.

**Section 2. Conflict of Interest Definition.** A conflict of interest exists when a matter to be acted upon by the Board of Directors confers a direct, substantial benefit to any Director of the Board, or business or agency from which such a Director derives an income or has authority in governance.

**Section 3. Abstention.** A member of the Board of Directors shall abstain from voting or attempting to influence the vote on any matter before the Board that places him or her in a conflict of interest.

**Section 4. Disclosure.** A member of the Board shall disclose the conflict or potential conflict as soon as he/she recognizes the conflict. If self-disclosure is not

**Section 1. Authorized Indemnification.** Unless clearly prohibited by law or these By-Laws, this Corporation shall indemnify any person (an “Indemnified Person”) made or threatened to be made a party in any action or proceeding, whether civil, criminal, administrative, investigative or otherwise, including any action by the Corporation, by reason of the fact that s/he (or her/his Testator or Administrator, if then deceased), whether before or after adoption of this Article: (a) is or was a Director or Officer of the Corporation, or; (b) is serving or served, in any capacity, at the request of the Corporation, as a Director or Officer of any other corporation, or any partnership, joint venture, trust, employee benefit plan or other enterprise. The indemnification shall be against all judgments, fines, penalties, amounts paid in settlement (provided the Corporation shall have consented to such settlement) and reasonable expenses, including attorneys’ fees and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding.

**Section 2. Prohibited Indemnification.** The Corporation shall not indemnify any person if a judgment, or other final adjudication, adverse to any Indemnified Person establishes, or the Board of Directors in good faith determines, that such person’s acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that s/he personally garnered any financial profit or other advantage to which s/he was not legally entitled.

**Section 3. Advancement of Expenses.** The Corporation shall, on request of any Indemnified Person who is or may be entitled to be indemnified by the Corporation, pay or reimburse an Indemnified Person’s reasonably incurred expenses in connection with a threatened or actual action or proceeding prior to its final disposition. However, no such advancement of expenses shall be made unless the Indemnified Person makes a binding, written commitment to repay the Corporation, with interest, for any amount advanced for which it is ultimately determined that s/he is not entitled to be indemnified under the law or these By-Laws. An Indemnified Person shall cooperate in good faith with any request by the Corporation that common legal counsel be used by the parties to such action or proceeding who are similarly situated unless it would be inappropriate to do so because of actual or potential conflicts between the interests of the parties.

**Section 4. Indemnification of Others.** Unless clearly prohibited by law or these By-Laws, the Board of Directors may approve indemnification by the Corporation, as set forth in Section 1 of this Article, or advancement of expenses as set forth in Section 3 of this Article, to a person (or her/his Testator or Administrator, if then deceased) who is or was employed by the Corporation or who is or was a volunteer for the Corporation, and who is made, or threatened to be made, a party in any action or proceeding, by reason of the fact of such employment or volunteer activity, including actions undertaken in connection with service at the request of the Corporation in any capacity for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

**Section 5. Determination of Indemnification.** Indemnification mandated by order of a court of competent jurisdiction will be paid. After termination or disposition of any

actual or threatened action against an Indemnified Person, if indemnification has not been ordered by a court, the Board of Directors shall, upon written request by an Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these By-Laws. Before indemnification can occur, the Board of Directors must find that such indemnification will not violate the provisions of Section 2 of this Article. No Director with a personal interest in the outcome, or who is a party to such action concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested Directors is not obtainable, the Board of Directors shall act only after receiving the opinion in writing of independent legal counsel that indemnification is proper in the circumstances under then applicable law and these By-Laws.

**Section 6. Binding Effect.** Any person entitled to indemnification under these By-Laws has a legally enforceable right to indemnification which cannot be abridged by amendment of these By-Laws with respect to any event, action or omission occurring prior to the date of such amendment.

**Section 7. Insurance.** The Corporation is required to purchase Directors and Officers liability insurance. To the extent permitted by law, such insurance shall insure the Corporation for any obligation it incurs as a result of this Article and it may directly insure the Directors, Officers, employees or volunteers of the Corporation for liabilities against which they are not entitled to indemnification under this Article, as well as for liabilities against which they are entitled to be indemnified.

**Section 8. Nonexclusive Rights.** The provisions of this Article shall not exclude any other rights to which any person may be entitled under law or contract. The Board of Directors is authorized to enter into agreements on behalf of the Corporation with any Director Officer, employee or volunteer to provide them rights to indemnification or advancement of expenses in connection with potential indemnification in addition to the provisions therefore in this Article, subject in all cases to the limitations of this Article.

## **ARTICLE IX**

### **Annual Audit**

The accounts of the Corporation shall be reviewed each year in accordance with New York state law by an independent Certified Public Accountant who is not an officer, board member or employee of the Corporation. In years in which the annual income of the corporation is less than \$250,000 a financial review is required. In years in which the annual income of the Corporation is \$250,000 or more a full audit is required.

## **ARTICLE X**

### **Dissolution**

This Corporation may be dissolved by a two-thirds (2/3) majority vote of the Board of Directors, following a dissolution plan prepared by the Board. Upon dissolution of the

Corporation, any residual assets shall be donated to a not-for-profit organization(s) with purposes of this Corporation.

## **ARTICLE XI Harassment and Discrimination**

**Section 1. Harassment.** Harassment of any kind is not productive and will not be tolerated by this Corporation. Any individual bound by these By-Laws who is subject to verbally abusive language relating to race, ethnicity, national origin, gender, religion, veteran status, marital status, age, disability or sexual orientation, or who experiences inappropriate physical touching or suggestive language is encouraged to report it immediately to the Chair. Any individual bound by these By-Laws who is aware of such verbally or physically abusive conditions should report such activity immediately.

The general policy will be reflected in the personnel procedures and program procedures promulgated by the Corporation to cover its staff as appropriate. However, nothing in this Article will bind the staff of the Corporation, who will instead be covered by the procedures contained in their personnel policies and program procedures.

**Section 2. Discrimination.** This Corporation will not discriminate in hiring or advancement practices, or in any other way, on the basis of race, ethnicity, national origin, gender, religion or lack of religion, veteran status, marital status, age, disability, sexual orientation, or any other category covered by law.

## **ARTICLE XII Seal**

The Seal of the Corporation shall be as follows:

## **ARTICLE XIII Construction**

If there be any conflict between the provisions of the certificate of incorporation and these by-laws, the provisions of the certificate of incorporation shall govern.

## **ARTICLE XIV Amendments**

The by-laws may be adopted, amended or repealed by the members at the time they are entitled to vote in the election of directors. By-laws may also be adopted, amended or

repealed by the board of directors but any by-law adopted, amended or repealed by the board may be amended by the Fellows thereon as hereinbefore provided.

## **ARTICLE XV**

### **Affiliates**

#### **Section 1: Requirements for Affiliation**

**1.1 Independence.** Independently organized organizations adhering to the EPS mission are eligible for affiliation. All EPS affiliates shall be autonomous entities. No individual EPS affiliate shall have control over the work of any other.

**1.2 Registered Charities.** In order to receive project funding from the Corporation or any other affiliate, each Affiliate must be registered as a charity or non-profit organization in the country in which it operates. Further, any funds distributed shall be in accordance with IRS code section 501(c)3 and other US law.

**1.3 Board.** Each EPS affiliate must have its own board composed of at least three respected professional economists. Each affiliate board should consist at a minimum of Chair , Vice Chair and Secretary/Treasurer.

**1.4 Activities.** Each affiliate must undertake at least one activity per year. This could be the publication of a newsletter, hosting a conference or workshop, arranging for speakers or panels at events sponsored by other organizations, holding an essay competition, etc.

**1.5 Reporting.** Each Affiliate is expected to submit a report annually to the Corporation on the activities of the affiliate, particularly, those activities that contribute to the goals and objectives of EPS. Each affiliated organization should maintain regular communication with the International Council. The Board of Directors may require additional reporting in its sole discretion.

#### **Section 2: International Council.**

**2.1** The Affiliates' cooperative activities shall be overseen by an International Council comprised of the chairs of each affiliate, or their designated representatives.

**2.2 Meetings.** The International Council shall meet at least yearly. Affiliates are expected to make every effort, including fundraising efforts, to ensure attendance at every meeting of the International Council.

**2.3 Electronic Communication.** Affiliates may participate in any meetings of the International Council via a teleconference telephone or similar means of electronic communication, provided that the means utilized allow the participants of the meeting to hear each other at all times.

**Section 3: Compliance.** Any Affiliate in violation of one or more standards for affiliation described in this document is subject to the following measures: removal of voting privileges at meetings of the International Council, permanent or probationary suspension of affiliation or termination of affiliation.

**ARTICLE XVI**  
**Board of Trustees**

The Board of Trustees members are internationally renowned economists or public servants, donating their renown for advancement of the purposes of the Corporation. Membership in the Board of Trustees is honorary; the Trustees hold no fiduciary responsibility for the Corporation or the Affiliates.

New members of the Board of Trustees are chosen by the Board of Directors of the Corporation. The Board of Directors shall take recommendations for new Trustees from the boards of individual affiliates or the ECAAR International Council.

The names of the Trustees may be used as an honorary Board of Trustees by any or all affiliates.