

CONSTITUTION AND BY-LAWS OF HYDRAULIC INSTITUTE, INC.

ARTICLE I – NAME AND OFFICE

The name of this Non-Profit Corporation is HYDRAULIC INSTITUTE, INC. (the “Institute”). The Institute may have such offices, in such locations, as the Board of Directors may determine or as the affairs of the Institute may require from time to time.

ARTICLE II – MISSION AND GOALS

SECTION A – The Mission of the Hydraulic Institute is to advance the pump manufacturing industry by becoming the world’s resource for pumping solutions.

SECTION B – To further the Mission, the goals of the Institute are to:

- a) Address pump systems
- b) Develop standards
- c) Expand knowledge and resources
- d) Educate the marketplace
- e) Advocate for the industry.

ARTICLE III – MEMBERSHIP

SECTION A – Membership Classes and Eligibility

1. Regular Membership. Eligibility to apply for regular membership shall be open to corporations and firms engaged in the manufacture of pumps, regardless of the location where that manufacture occurs, provided that the corporation or firm sells

pumps into the North America market. The manufacture and sale shall have taken place for at least one year prior to the application for membership. As used herein, manufacture shall mean the machining or fabrication and assembly of pump units. Regular Members headquartered outside of North America, who manufacture pumps wholly outside of North America but sell pumps & pumping systems into the North America market, shall be authorized to designate a Standards Voting Representative to vote on standards and other technical matters, but shall not be authorized to designate an Executive Voting Representative to vote on non-technical matters.

2. Associate Membership. Eligibility to apply for associate membership shall be open to corporations and firms engaged in the manufacture of such products as, but not limited to, motors, variable speed or other drivers, seals and sealing systems, bearings, component parts, gears, couplings, gauges, instrumentation and controls, coatings, lubricants and lubricating systems or the design and development of pump-specific software for ultimate use in or with pumps or pumping systems, regardless of the location where that manufacture occurs, provided that the corporation or firm sells into the North America market. Eligibility to apply for associate membership shall also be open to corporations and firms whose primary business is integration, manufacture and assembly of pump and pumping components into a system of modular solution, regardless of the location where that integration, manufacture and assembly occurs, provided that the corporation or firm sells such products into the North America market. Associate Members headquartered outside of North America, who manufacture wholly outside of North America but sell into the North America market, shall be authorized to designate a Standards Voting Representative to vote on standards and other technical matters, but shall not be authorized to designate an Executive Voting Representative to vote on non-technical matters.
3. Sub-units of a Business Entity. Whenever the Board of Directors, by resolution adopted by a majority of all of its members, shall declare that it is in the interest of the Hydraulic Institute to admit to membership in the Institute a subsidiary, operating division, or other sub-unit of a larger pump business, the membership of that subsidiary, operating division or sub-unit shall be conditioned upon execution of a non-disclosure agreement with the Institute to ensure that information provided to the member by the Institute will not be circulated or disclosed to anyone not an employee of the subsidiary, operating division or sub-unit.

SECTION B – Application For Membership

1. Application. Application for membership in the Institute shall be made in writing, addressed to the Secretary, and shall state the Sections with which affiliation is desired, shall contain acceptance of, and agreement to abide by this Constitution and By-Laws and shall be signed by an executive officer of the applicant. In the case of applications for Associate Membership, the applicant shall also agree to abide by the Associate Member Policies and Procedures as set forth by the Board

of Directors and amended from time to time. Applications which have met these requirements shall be submitted to the Board of Directors for action.

2. Numerical Limitations. No application for Associate Membership shall be accepted if addition of the applicant to membership would cause the number of Associate Members to exceed two-thirds (67%) of the number of Regular Members. However, no Associate Member shall be deprived of membership renewal solely on the basis that after its admission there occurred a reduction in the number of Regular Members that resulted in the above ratio being exceeded.
3. Approval of Application. Following approval of the application by the Board of Directors, the applicant shall become a member of the Institute upon payment of the initiation fee and submission of data required for the calculation of dues.

SECTION C – Representation

1. Number of Representatives. Each member shall be represented in the Institute, and in each Section with which the member is affiliated, by one duly appointed executive voting representative and by one or more associate representatives.
2. Types of Representatives. Representatives of a member shall be such of its proprietors, officers or employees as the member may designate. Each member shall designate which one of its representatives shall have the power to vote as follows (the same person may be designated for both categories):
 - (a) Executive Voting Representative - This representative shall cast his company's vote on all matters except standards and other technical matters.
 - (b) Technical Voting Representative - This representative shall cast his company's vote on standards and other technical matters.
3. Changing and Withdrawing Representatives. A member may change or withdraw representatives at will by giving written notice to the Institute.
4. Listing of Representatives. The Secretary shall canvass the membership annually, prior to the Annual Meeting, to maintain up to date listings of such representation.

SECTION D – Rights And Privileges

All members shall exercise and enjoy such rights as this Constitution and By-Laws of the Institute may prescribe.

SECTION E – Transfer Of Membership

Any purported sale, assignment, transfer or encumbrance of membership in the Institute or of the membership rights, whether done expressly or by operation of law, shall be wholly void and shall confer no rights upon the purported purchaser, as signee, transferee or claimant; provided, however, that the Board of Directors, at its discretion, may, by proper vote, expressly consent to the transfer of a membership and to the acceptance of the transferee as a member of the Institute, and may determine whether or not such transferee shall be required to pay the initiation fee.

SECTION F – Resignations

Resignations of members shall be in writing, addressed to the Secretary. No resignation shall be effective until sixty (60) days after its receipt by the Secretary and then only if the dues and assessments of the resigning member are paid up to the date when the resignation takes effect.

SECTION G – Termination Of Membership

1. Disqualification. A membership shall be terminated whenever the Board of Directors determines that the member no longer meets the qualifications for membership.
2. Expulsion for Cause. A member or representative of a member may be expelled for cause by a two-thirds affirmative vote of the eligible members of the Institute, taken at a meeting thereof; provided, however, that such member or representative of a member shall first be afforded an opportunity to be heard before the Institute. On the question of expulsion, no accusing or accused member or representative shall be entitled to vote. The expulsion of a member shall, in every case, include every representative of such member.

SECTION H – Non-Member Participation Categories

The Board of Directors shall be empowered to identify categories of non-members eligible to participate in the Institute and shall establish rules and guidelines for such participation.

ARTICLE IV– POLICIES AND PROCEDURES

Unless otherwise ordered by a resolution of the members adopted at any regular or special meeting, the responsibility for establishing policies and procedures for the proper operation of the Institute shall be vested in a Board of Directors.

ARTICLE V – BOARD OF DIRECTORS

SECTION A – Board of Directors Membership

1. Composition of Board of Directors. The Board of Directors shall be composed of up to eleven (11) persons and past Presidents as set forth in subparagraph (d) below, as follows:
 - (a) The President;
 - (b) The immediate past President who shall serve as Chairman;
 - (c) Up to nine (9) elected members who are duly identified by their executive voting representative to represent their companies;
 - (d) Following his term as Chairman of the Board of Directors, each past President, by virtue of his prior office, and so long as he remains the executive voting representative of his company, shall continue as a member of the Board of Directors for an additional three years, and thereafter shall be an ex-officio member of the Board of Directors.
 - (e) Executive voting representatives of Associate Members shall be eligible to serve on the Board of Directors but not as officers of the Institute. No more than three such representatives shall serve at any one time.

2. Election and Term of Office. The President and members of the Board of Directors shall be elected at the Annual Meeting of the Institute.. The President shall serve for one year and then be expected to serve for one (1) year as Chair, with either term subject to renewal. Members shall serve for terms of three (3) years, three members being elected each year so that the terms of all nine (9) members are not concurrent. An elected member shall serve until the election of his successor at the Annual Meeting of the year in which his term expires.

SECTION B – Re-Election To Board of Directors

Not as a directive nor as a requirement, but as an objective, no person should be eligible for reelection as a member of the Board of Directors who shall have been an elected member of the Board of Directors for a period of two (2) years immediately preceding the Annual Meeting at which such election is held.

SECTION C – Vacancies In The Board of Directors

In the event of death or resignation of the Chairman, the President shall appoint a temporary Chairman to serve through the next Annual Meeting. Any vacancy on the

Board of Directors for an unexpired elected term of office created by reason of death, resignation, incapacity or termination by reason of retirement or substitution as the duly appointed executive voting representative of a member company, shall be filled by the Board of Directors by electing a successor who shall hold office during the unexpired term of his predecessor.

SECTION D – Compensation Of Board of Directors Members

Members of the Board of Directors shall serve without compensation, but may be reimbursed, at the discretion of the Board of Directors, for actual expenses incurred by them upon the business, or for the account, of the Institute. This reimbursement shall not include expenses incurred as a result of, or in connection with, attendance at meetings of the Board of Directors.

SECTION E – Executive Committee

The Board of Directors shall elect an Executive Committee empowered to meet and act on behalf of the Board between meetings of the Board of Directors. The Executive Committee shall consist of the Chair of the Board, the President, one member from each class of Board members, and the Executive Director of the Institute.

SECTION F – Vice Presidents

The Board of Directors shall elect such Vice President as the Board determines are necessary to further the Mission of the Institute, but the Vice Presidents shall not be members of the Board.

ARTICLE VI – OFFICERS, STAFF AND COUNSEL

SECTION A – Officers

1. The Officers of the Institute shall be: a Chairman of the Board of Directors; a President; and the other members of the Executive Committee.
2. The President shall be elected by the Regular Members from among the executive voting representatives of Regular Members at the Annual Meeting, and shall hold office until the election and installation of their successors at the next Annual Meeting.
3. Persons serving as Chairman, President, Vice President or member of the Board shall serve without compensation.

4. The Staff of the Institute shall be headed by the Executive Director, who shall serve as Secretary-Treasurer of the Institute. The Executive Director shall fill such other staff positions as are authorized by the Board of Directors.

SECTION B – Duties Of The President

The President shall preside at all meetings of the Institute. During the absence or temporary incapacity of the President, or in the event of death or resignation of the President, the Chairman shall perform the duties and have the powers of the President.

SECTION C – Duties Of The Executive Director

The Executive Director shall be engaged by the Board of Directors and shall be the chief executive officer of the Institute. He shall oversee, and be responsible for, the functioning of the Institute pursuant to the policies and procedures of the Board of Directors. The Executive Director shall also serve as Secretary and Treasurer of the Board of Directors to perform such duties as are determined by the Board of Directors.

SECTION D – Bonding Of The Officers And Staff

Such officers and staff as the Board of Directors may designate shall give surety bonds for the faithful performance of their duties in such amount as may be required by the Board of Directors. The premium or premiums on such bonds shall be paid by the Institute.

SECTION E – Filling Vacancies In Elected Offices

1. Vacancies for President, Board Members, or Vice Presidents. A vacancy in an office of the President or of a Board member may be filled by the Regular Members in an election at any meeting of the Institute at which a quorum is present, or by letter ballot. A vacancy in an office of Vice President may be filled by means of an election at any meeting of the Board, or by letter ballot of the Board.
2. Simultaneous Vacancies. In the event that the office of President and all offices of Vice President become vacant simultaneously, the Chairman of the Board of Directors shall preside until an election can be held. Such election shall be the first order of business at the meeting or letter ballot specified in Paragraph (1) of Section E, of this Article.

SECTION F – Staff

The Executive Director shall appoint and engage such other administrative and technical staff or other specialists as may be authorized by the Board of Directors.

SECTION G – Legal Counsel To The Institute

The Board of Directors shall retain Legal Counsel for the Institute upon such terms and conditions as it shall deem advisable.

ARTICLE VII – COMMITTEES OF THE INSTITUTE

SECTION A – Regular Appointment Of Institute Committees

The Board of Directors at its Annual Meeting shall appoint such Institute Committees as may be prescribed by this Constitution and By-Laws and may appoint such additional standing and special Committees as, in its opinion, are advisable or necessary to carry on the work of the Institute. The members of all such Committees shall serve for one year or until their successors have been appointed and installed. All such Committees shall act under the direction of, and make periodic reports to, the Board of Directors. These Committees shall perform such duties, and have and exercise such powers, as are specified in this Constitution and By-Laws, and as may be delegated by the Board of Directors.

SECTION B – Interim Appointment Of Institute Committees

The President is authorized to make interim appointments of Institute Committees and Committee members, and Institute representatives to and contacts with outside organizations, subject to confirmation by the Board of Directors at its next meeting. At any regular meeting of the Institute, the Chairman of a Committee is authorized to appoint attending members of the Board of Directors as voting members for that meeting in sufficient number to complete a quorum.

ARTICLE VIII – MEETINGS

SECTION A – Meetings Of The Institute

1. Regular Meetings. The Annual Meeting of the Institute shall be held during the first quarter of the calendar year, at such time and place as may be determined by the Institute; but, in no case, shall this meeting be deferred beyond the first quarter of the calendar year. Other regular meetings shall be held as directed by the Institute.
2. Special Meetings. Special meetings of the Institute may be called by the President, and shall be called by the Executive Director on the request in writing of four of the elected members of the Board of Directors or of not less than twenty-five per cent (25%) of the Institute members.

3. Notice of Meetings. Not less than ten days before each regular meeting and five days before each special meeting of the Institute the Executive Director shall mail or cause to be mailed to each member of the Institute a notice of the meeting.
4. Attendance Limits. No more than two representatives of any Associate Member, plus any other representative of that Associate Member serving on the Board of Directors, may attend a meeting of the Institute.

SECTION B – Meetings Of The Board of Directors

1. Regular Meetings. Regular meetings of the Board of Directors shall be held in conjunction with the Institute meetings.
2. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman and shall be called by the Executive Director on specific request by two or more members of the Committee. At least two days' notice of any special meeting shall be given by the Executive Director by letter, telegram or telephone. The place of special meetings of the Board of Directors shall be determined by the Chairman.

SECTION C – Meetings Of Sections

1. Annual Meetings. Each Section of the Institute shall hold an Annual Meeting, preferably at the time and place of the Annual Meeting of the Institute.
2. Other Meetings. Regular meetings of Sections may be held in conjunction with the regular meetings of the Institute. Special meetings may be called by the Chairman of a Section upon the written request of at least twenty-five per cent (25%) of the members of that Section. A special meeting of a Section may be called at any time by the President of the Institute, at a time and place determined by him. In the case of a regular meeting, the Executive Director shall mail a notice at least ten (10) days before such meeting. In the case of a special meeting, notice shall be sent by letter, telegram or telephone as far in advance as possible, but in any event, if such notice is not mailed or given at least five (5) days before the meeting, any action taken at such meeting shall be subject to confirmation at the next regular meeting of the Section or by letter ballot.

SECTION D – Meetings Of Committees

Meetings of Committees of the Institute (other than those of the Board of Directors) may be called by the Chairman thereof, except that regular meetings are not required to be held.

SECTION E – Minutes Of Meetings

Written minutes shall be prepared to record the attendees and actions taken at any meeting of the Institute, the Board of Directors, Sections or Committees.

ARTICLE IX – QUORUM

SECTION A – Quorum Of The Board of Directors

Fifty percent (50%) of the members of the Board of Directors shall constitute a quorum, but if none of the members present is an elected member of the Board, any action taken shall require the unanimous vote of all members present. When any of the members constituting a quorum is an elected Board member, action may be taken by a simple majority.

SECTION B – Quorum Of A Section

One-third (33 1/3%) of the members of a Section, each as represented by either a voting or duly authorized associate representative, shall constitute a quorum at any meeting of a Section, but a lesser number may adjourn.

SECTION C – Quorum Of Committees

One-third (33 1/3%) of the members of a Committee, each as represented by either a voting or duly authorized associate representative, shall constitute a quorum, but a lesser number may adjourn.

SECTION D – Presence By Telephone

A member representative may be counted as present at a meeting for all purposes if he is connected to the meeting room by telecommunication so as to permit him to hear the progress of the meeting and to be heard by those physically present at the meeting.

ARTICLE X – VOTING

SECTION A – Voting At Meetings Of The Institute, Sections Or Committees

1. Number of Votes per Member. Each member shall be entitled to one vote on all matters presented to the membership of the Institute, Section or Committee with which such member is affiliated.

2. Casting of Votes. The vote of each member at meetings of the Institute, Section or Committee shall be cast by its appropriate voting representative. In the absence of its voting representative, the vote of that member may be cast by the associate representative who is present and is authorized to vote.
3. Computing Results of Ballot. In computing results of a ballot, any fraction equal to or less than one-half shall be disregarded, and any fraction greater than one-half shall be taken as one in determining the result.

SECTION B – Proxies

1. Institute or Section Meetings. At any meeting of the Institute or Section, the voting representative of any member may be represented by a proxy granted to an associate representative of the member, or to the authorized voting representative of some other member. Such proxy shall be canceled in the event that the authorized voting representative of the member previously granting the proxy is present at the meeting.
2. Committee Meetings. A member of any committee may vote at a meeting thereof by proxy.
3. Verification. Any proxy granted shall be in writing and shall be subject to verification by the Chairman of the meeting as to conformity with the provisions of this Section.

SECTION C – Letter Ballots

1. Extent of Usage. Except with respect to the election of members of the Board of Directors or the election of officers of the Institute or Sections, any vote of the Institute or Sections or any Committee may be taken by a thirty (30) day letter ballot.
2. Mailing of Letter Ballot. Such letter ballot must be mailed to the voting representative of each member of the Institute, or Section, or each member of the Committee within whose scope the subject of the ballot belongs.

SECTION D – Recording Of Votes Of Letter Ballots

1. All letter ballots on non-technical matters shall provide for recording votes of the members as follows:
 - YES -- A ballot marked “yes” shall be recorded as in favor of the proposal.

NO -- ballot marked “no” shall be recorded as opposed to the proposal.

ABSTAIN -- A ballot marked “abstain” shall be recorded as a ballot received on which the member does not wish to take a position on the proposal.

2. All letter ballots on technical matters shall provide for recording votes of the members as follows:

YES -- A ballot marked “yes” shall be recorded as in favor of the proposal.

NO WITH REASON -- ballot marked “no with reason” shall be recorded as opposed to the proposal.

ABSTAIN -- A ballot marked “abstain” or a ballot marked “no” without giving a reason shall be recorded as a ballot received on which the member does not wish to take a position on the proposal.

3. Members not returning their ballots within the voting period shall be considered to have forfeited their vote on the question.
4. No member may change his vote given by letter ballot after expiration of the voting period of thirty (30) days from the date of mailing of the ballot.
5. Ballots cast by a member authorized to vote on the type of question shall be dated and signed by the appropriate voting representative of such member.

SECTION E – Computing Results Of Letter Ballots

1. Upon completion of the voting period, the Executive Director shall prepare tabulation showing:
 - Number of Votes--Yes--
 - Number of Votes--No or No With Reason--
 - Number of Votes--Abstain--
 - Number Eligible to Vote--
2. Only the votes marked “yes” or “no” (in non-technical ballots) or “no with reason” (in technical ballots) shall be considered in determining the results of the voting.
3. The sum of the number of votes marked “yes,” the number of votes marked “no” (in non-technical ballots), “no with reason” (in technical ballots) and the number

of votes counted as an “abstain” taken as a percentage of the number eligible to vote shall determine if a quorum, as defined in ARTICLE IX, has voted. If less than a quorum has voted, the proposal shall be referred back to the source.

4. Any proposal covered by a letter ballot shall be approved by the affirmative vote of at least two-thirds (66 2/3%) of the votes cast.

ARTICLE XI – INITIATION FEES AND DUES

SECTION A – Initiation Fee

The initiation fee of each Regular Member and of each Associate Member shall be determined by the Board of Directors; provided, however, that if a former member of the Institute applies for reinstatement of membership, the Board of Directors may, at its discretion, waive in whole or in part the payment of the initiation fee.

SECTION B – Annual Dues

1. Regular Members. The annual dues of each Regular Member shall be computed by assessing against such member a sum that shall bear the same relation in proportion to the total amount of dues to be collected as provided in the annual budget of the Institute as the member's volume of sales billed for products included in the scope of the Institute for the previous calendar year bears to the total volume of sales billed for the previous calendar year by all members; provided, however, that the minimum dues to be paid by any member in any year shall be as established by the Board of Directors; and provided further, that the maximum dues to be paid by any one member in any year shall be limited to one third (33 1/3%) of the total amount of dues to be collected.
2. Associate Members. The annual dues of each Associate Member shall consist of a base dues amount plus an additional dollar amount based upon the Associate Member's product sales to pump manufacturers. The Board of Directors shall determine the base dues amount and the factor used to determine the additional dollar amount derived from product sales.
3. Due Dates. Annual dues shall be invoiced semi annually, for the first half of the year in December of the immediate prior year and in June. Each invoice is due and payable within thirty (30) days after receipt.

SECTION C – In Case Of Election Of New Members

The election of a member after the beginning of each fiscal year shall not affect the apportionment of dues previously made for such year. Each such newly elected member shall pay dues on a monthly basis for the remainder of the fiscal year beginning with the

effective date of its membership. The amount of dues of such member shall be computed at the same rate used in computing the dues of existing members.

SECTION D – Failure To Pay Dues

1. Suspension for Non-Payment. If any member fails to pay the prescribed dues within thirty (30) days after the same shall have become due, such member shall as a result of such failure, and without further action, be suspended from all rights and privileges of membership and such suspension shall continue until the payment in full of all arrears of the member so suspended, including dues accrued during the period of suspension, or until the termination of the membership of the suspended member.
2. Termination of Membership. The membership of any member suspended for failure to pay the prescribed dues shall terminate at the conclusion of a period of sixty (60) days after its suspension unless said period is extended by the Board of Directors, in which case the membership shall, without further action, terminate at the end of the extended period if such dues shall not have been paid.

SECTION E – Failure To Report Sales

For the purpose of computing dues, each member shall report to the Treasurer his sales of products within the scope of the Institute within sixty (60) days after the Treasurer requests such report. In the event of failure by the member to report such data within the prescribed period, the Treasurer shall assign to such member a sales volume which at his discretion seems proper, and notify the member of this figure. Dues shall then be calculated on this basis, and when the actual sales volume is available, a dues adjustment will be made in the following year. The sales figure reported in compliance with this section shall be held confidential.

ARTICLE XII – RIGHT TO PARTICULAR FUNDS, RESERVES, OR OTHER ASSETS OF THE INSTITUTE

SECTION A – No Individual Right, Title, Or Interest In Institute Funds

No member or officer shall have any individual right, title, or interest in any particular funds, reserves, or other assets of the Institute.

SECTION B – Interest Of Members

All interest in the funds, reserves, and other assets of the Institute of each member whose membership shall terminate for any reason except through dissolution of the Institute, shall immediately cease and such member and representatives of such member shall have

no claim with respect to such interest against the Institute or against the other members or their representatives, or any of them.

SECTION C – Disposition Of Assets On Dissolution

Upon the dissolution of the Institute and after payment of all just debts and liabilities of the Institute, the remaining funds, reserves, and other assets of the Institute shall be divided among the members at the time of dissolution without interest in proportion to the amount of dues, initiation fees, assessments, and contributions paid by such members during the five (5) fiscal years immediately preceding the fiscal year in which dissolution takes place; provided, however, that no member shall be refunded an amount in excess of the total amount of dues, initiation fees, assessments, and contributions paid by such member during its period of membership. Any excess amount which shall exist shall be distributed by the Board of Directors to organizations selected by it and which are organized exclusively for charitable, scientific, literary, or educational purposes, no part of the net earnings of which inure to the benefit of any private shareholder or individual, and no substantial part of the activities of which is the carrying on of propaganda or otherwise attempting to influence legislation.

SECTION D – Dividends

No dividends or distributions, other than on dissolution of the Institute, shall be made to any of the members or their representatives.

SECTION E – Determination Of Refunds

The determination by the Board of Directors of the amount refunded to each member as herein provided shall be final.

ARTICLE XIII – ORGANIZATION

SECTION A – Organization of Sections

1. Affiliation Requirements. For the purpose of accomplishing the objects of the Institute more effectively, the members shall be divided into Sections. Each Section shall include only those pump members who are actively engaged in the manufacture for sale in the open market of the classes of pumps embraced in the scope of the Section's activities.
2. Determination of Scope. The Board of Directors shall, in all instances, determine the scope of Section activities.
3. Affiliation. The Board of Directors shall, in all cases, determine the members' eligibility or non-eligibility for affiliation with a Section.

4. Forming, Combining, Dividing, or Discontinuing. Authorization to form, combine, divide or discontinue Sections shall be obtained from the Board of Directors. The Board of Directors may discontinue a Section if it shall deem such action to be in the best interest of the Institute.

SECTION B – Activities Of Sections

The activities of Sections shall be subject to such limitations and to such regulations as are prescribed by this Constitution and By-Laws or by resolution adopted at any regular or special meeting of the Institute.

SECTION C – Election Of Officers For Sections

At the Annual Meeting, each Section shall elect from the representatives of the members affiliated with the Section a Chairman and such other officers as the Section may desire. These officers shall hold office for two years and until their successors are elected and installed. No person shall be eligible for election as Chairman of a Section who shall have been elected Chairman of that Section for two successive terms immediately preceding the Annual Meeting at which such election is held.

SECTION D – Appointment Of Committees

Sections may appoint, or may authorize the Chairman to appoint, such Committees as may be necessary to carry on the work of the Sections.

SECTION E – Filing Of Minutes, Publications And Reports

The Chairman of each Section shall furnish to the Institute Secretary the following:

The names of all members and their representatives in the Section promptly after appointment; the names of all Section, or Committee officers; the names of the members of all Committees of each Section; complete copies of meeting minutes, prior to distribution, promptly after the holding of such meeting; a complete draft of each standard, publication, or communication proposed for general distribution, prior to its issuance; complete annual reports of all of the activities of the Section.

SECTION F – Approval By Legal Counsel

No action of any Section or Committee shall be carried out and no direction by an officer of a Section or Committee shall be followed unless and until its legality and conformity with this Constitution and By-Laws of the Institute shall have been approved by Legal Counsel.

SECTION G – Disapproval By The Board of Directors

The Board of Directors, by a two-thirds vote of all of its members, may declare any action taken by a Section or by Section Officers or by a Section Committee to be null and void.

SECTION H – Appeal

Any interested member or Section shall have the right to appeal to the Board of Directors with respect to any action taken or proposed to be taken by a Section or Committee thereof. Notice of the time and place at which the appeal will be considered and an opportunity to be heard thereon shall be given to all members of the Section or Committee concerned.

ARTICLE XIV – CONTACT WITH OUTSIDE BODIES

SECTION A – Approval Of New Contacts

1. Regular Approval. New contacts or negotiations with outside bodies shall be made only with the approval of the Board of Directors and Legal Counsel.
2. Interim Approval. The President, with the approval of Legal Counsel, shall be empowered to approve such contacts or negotiations between meetings, subject to confirmation by the Board of Directors at its next meeting.

SECTION B – Scope Of Contacts With Outside Bodies

At the time that contacts or negotiations with outside bodies are authorized, the scope of the activity of the Institute representatives shall be clearly defined. No activities beyond such authorized scope shall be engaged in by the Institute representatives.

SECTION C – General Policy

In contacts with outside bodies, the policy of the institute shall be, in general, to request either: the appointment of joint committees composed of accredited representatives of the Institute and of the outside body directly concerned; the appointment of accredited representatives of the Institute to serve on such outside bodies; or the appointment of individuals who are employees of member companies to serve as contacts with specified outside bodies where preceding arrangements are not practical.

SECTION D – Instructions For Official Action By Representatives

Institute representatives on joint committees or on outside bodies represent the interests of the Institute membership in general, and whenever formal action is to be taken shall vote in accordance with Institute standards in technical matters, or the directions of the particular Institute committee or subcommittee regarding the particular subject matter, or directions of the Institute Board of Directors or its subcommittee. Where guidance is sought, requests shall be addressed to the office of the Executive Director.

SECTION E – Reports

Copies of the minutes or reports covering all meetings of outside bodies with which the Institute has contact through its representatives and drafts of all proposed publications and copies of all official communications to or from outside representatives shall be filed with the Secretary of the Institute.

ARTICLE XV – STANDARDS

SECTION A – Purpose Of Standards

1. Purpose. Standards of the Hydraulic Institute are adopted in the public interest and are designed to eliminate misunderstanding between the manufacturer and the purchaser; and to assist the purchaser in selecting and obtaining the proper product for his particular need.
2. Voluntary Use. Existence of Institute Standards does not in any respect preclude any member from manufacturing or selling products not conforming to the Standards.

SECTION B – Definition Of A Standard

An Institute Standard defines the product, material, process or procedure with reference to one or more of the following: nomenclature, composition, construction, dimensions, tolerances, safety, operating characteristics, performance, quality, rating, testing and service for which designed.

SECTION C – Adoption Of Standards

1. Approval by Letter Ballot. An Institute Standard shall be approved for adoption by the Institute by the affirmative vote of at least two-thirds (66 2/3%) of the votes cast (i.e., the sum of the ballots marked “yes” and the ballots marked “no”) as provided in ARTICLE X, Section E.

2. Approval at Forthcoming Meeting. In the event that a vote on the adoption, revision, or rescission of Standards is contemplated at a forthcoming meeting rather than by means of a letter ballot, a notice of that proposed action together with a copy of the proposal itself shall be sent to all members of the eligible Sections of the Institute at least thirty (30) days before the date of the meeting at which the vote is intended to take place. Notice of such intention, together with a copy of the proposal itself, published in the minutes of the preceding meeting of the eligible Section of the Institute shall be deemed to constitute compliance with this provision.

SECTION D – Unanimous Approval

Without prior notice of any kind, at a meeting of the Institute or a Section, at which all of the members eligible to vote on the subject are present, proposals to adopt, change or rescind an Institute Standard may be acted upon by the unanimous vote of all those members eligible to vote.

SECTION E – Engineering Information

1. Definition. Engineering Information consists of explanatory data and other engineering information of an informative character not falling within the classification of Institute Standards.
2. Approval. Engineering Information shall be approved for adoption by the Institute by the affirmative vote of at least two-thirds (66 2/3%) of the votes cast (i.e., the sum of the ballots marked “yes” and the ballots marked “no”), as provided in ARTICLE X, Section E.

SECTION F – Members Eligible To Vote On Standards Or Engineering Information

1. Voting Classifications. Voting on Standards or Engineering Information shall be limited to the members of the Sections whose scopes include the product or products covered by such Standards or Engineering Information.
2. Casting of Vote. The vote of each such member shall be cast by the duly appointed voting representative on standards.

ARTICLE XVI – FISCAL YEAR

The fiscal year of the Institute shall begin on the first day of January in each year and shall end on the thirty-first day of the following December.

ARTICLE XVII – BUDGET

SECTION A – Budget

At each Annual Meeting of the Institute, a budget for the total expenses of the Institute for the ensuing year and for such reasonable reserves for contingencies as may be deemed advisable shall be adopted.

SECTION B – Obligations In Excess Of Approved Budget

Neither the Board of Directors nor the Officers of the Institute shall obligate the Institute in excess of the total amount of the approved budget except that the Board of Directors, by unanimous vote of its membership, if polled by letter ballot, or by unanimous vote of those present at a meeting where a quorum is present, may make appropriations from the surplus funds or reserves for contingencies of the Institute to defray expenses not contemplated by the budget.

ARTICLE XVIII – PROCEDURE

Except as otherwise provided in this Constitution and By-Laws, Robert's Rules of Order shall govern in any question of parliamentary procedure.

ARTICLE XIX – STATISTICS

SECTION A – Authorization

The Statistics Committee shall obtain authorization from the Board of Directors and approval of Legal Counsel before initiating any new substantial activity or before revising an existing statistical activity.

SECTION B – Statistics Held

All statistical data received by the Institute from any member of the Institute for any purpose shall be held strictly confidential and no statistical data furnished by any member shall be divulged to any other member. No statistical data furnished by any member shall be divulged to any outside individual or organization unless specifically authorized by the member furnishing the data and the Board of Directors, and approved by Legal Counsel. Subject to the authorization of the Board of Directors and review by Legal Counsel, the Statistics Committee shall direct the Executive Director and staff to arrange for preparation and distribution of reports of statistical data in such form and at such intervals as may be appropriate. The Statistics Committee shall obtain authorization from the

Board of Directors and approval of Legal Counsel before initiating any new substantial activity or before revising an existing statistical activity.

ARTICLE XX – INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

Any person made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate, is or was a Director, Officer or employee of the Institute shall be indemnified by the Institute against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees, actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such person acted in good faith for a purpose which he reasonably believed to be in the best interests of the Institute and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful. Such rights of indemnification shall not be deemed exclusive of any other rights to which such Director, Officer or employee may be entitled apart from this Article.

ARTICLE XXI – AMENDMENTS

SECTION A – Approval By Letter Ballot

This Constitution and By-Laws may be amended by the affirmative vote of two thirds of all the members of the Institute. Such vote may be taken at any regular or special meeting of the Institute or by letter ballot.

SECTION B – Approval At Forthcoming Meeting

Notice of any amendment, or amendments, proposed for adoption by the Institute at a forthcoming meeting shall be given to all members at least thirty (30) days prior to such meeting. Notice of such intention, together with a copy of the proposal itself, published in the minutes of the preceding meeting of the Institute, shall be deemed to constitute compliance with this provision.

Last amended November 2015