

COUNCIL ON FINANCE, INSURANCE AND REAL ESTATE

CHARTER

ARTICLE I. ESTABLISHMENT

The Council on Finance, Insurance and Real Estate (Council) is established as a council of the National Institute of Building Sciences (Institute), a District of Columbia nonprofit corporation, to carry out the purposes and perform the functions set forth in this Charter, subject to the authority of the Board of Directors of the Institute, and in accord with the rules and procedures stated herein as well as those of the Institute.

ARTICLE II. PURPOSE

The purpose of the Council is to examine the intersection of finance, insurance, investment and design, construction and ownership with the intent to encourage the development and assist in the affordability of high performance buildings.

ARTICLE III. OBJECTIVES

The objectives of the Council are to: (a) provide an objective source for information and identification of valid performance methodologies to achieve the purposes in Article II, and (b) provide a forum for the AEC and finance and insurance industries to come together to understand each other's perspectives/concerns and engage in problem solving.

ARTICLE IV. SCOPE

The Council will identify and provide resources needed to conduct, coordinate, promote and sponsor research and development activities related to information exchange, education and training, the conduct of forums and workshops, management of research and research-related projects, dissemination of information and review of work performed by others. The Council may develop (or support the development of) and recommend standards, guidelines and conformity assessment programs; stimulate innovation in government and within the sectors of the economy; and promote increased understanding and communications among architects, engineers, contactors, owners, insurance, banking, investment, appraisal, voluntary standards organizations, government agencies and other sectors of the economy.

ARTICLE V. MEMBERSHIP

Section 1. Eligibility

The membership of the Council is open to any organization or individual engaged directly or indirectly in activities consistent with the purpose of the Council as stated in Article II and meeting the requirements of one of the membership categories identified in this Article.

Section 2. Dues

There shall be no membership dues for participation in the Council. However, members must be in good standing to participate in the Council.

Section 3. Membership

- a. Organizational Members: Public or private sector organizations supportive of the Council's purpose and objectives and who agree to work towards the realization of the Council's objectives shall be eligible to join. Each member shall designate a primary and alternate individual who will serve as their representative with the authority to vote on items before the Council. The Council Board of Direction may by majority vote establish categories of Organizational Members based on their primary trade, occupational or business affiliation.
- b. Individual Members: This category shall include any individual not included in the above category.

Section 4. Good Standing

Organizational and Individual Members of the Council are in good standing if they hold a membership in the Institute.

Section 5. Termination of Membership

- a. Membership in the Council shall remain active so long as such member is in good standing.
- b. Members may be terminated in the event such member is in breach of one or more of the requirements of membership, conducts him/herself with flagrant disregard for the rules or policies of the Council or the Institute, or acts in a manner which is clearly detrimental to the purpose and objectives of the Council. Such a termination may be effected only by a vote of seventy-five percent (75%) of the Board of Direction at a duly called and convened meeting. Prior to such meeting, the affected member shall receive thirty (30) days written notice from the Board of Direction. The decision of the Board of Direction in this regard shall be conclusive and no right of rehearing or appeal, administrative or judicial, shall exist as to the terminated member.
- c. A member may terminate membership at any time by giving written notice to the Board of Direction.

Section 6. Policy

The business of the Council shall be conducted in accordance with the Institute's Congressional authorizing legislation, Articles of Incorporation, Bylaws and status as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, this Charter, and the duly adopted policies, rules and procedures of the Council.

Section 7. Meetings and Voting

Meetings of the Council may be conducted in person or by any means of electronic communication that allows each person attending to hear and participate in discussions with all other persons attending the meeting or by a combination of both in-person and electronic attendance. Persons properly attending by electronic communication shall be deemed present for purposes of establishing the existence of a quorum and for voting on all matters voted upon at the meeting.

In any situation in which voting by members is called for, each member in good standing shall be entitled to cast one (1) vote on each matter submitted to a vote of members. Members entitled to vote may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary before or at the time of the meeting. An electronic message shall be deemed to be a written notification.

Section 8. Voting Procedures

In a scheduled meeting of the Council, a simple majority of votes cast by designated representatives of the members in attendance shall constitute due and proper procedure to validate the actions of the Council, except as regards termination of membership. Voting may be conducted in person, by show of hands or written ballot, by telephone, by mail, by electronic mail or by any other means of electronic or telephonic communication authorized by the Council in advance of the meeting at which the vote is taken. Vote abstentions shall be counted in the total of votes cast in determining compliance with the simple majority rule. All members present at meetings of the Council must cast a vote aye, nay or abstain on motions before the Council.

Approval may be obtained from voting members by mail ballot on matters arising between meetings unless these bylaws provide otherwise. Approval shall require an affirmative vote by a majority of those ballots cast and returned. Mail ballots must be received within 30 days of the notification of a vote to be conducted by mail ballot. Mail ballots may be requested and returned by post, e-mail, fax or other means that provides a tangible record of the vote.

Section 9. Visitors and Guests

Any individual, whether a member of the Council or not, shall be entitled to attend meetings of the Council or any of its committees except when closed sessions are duly held. Such visitors and guests may participate in meeting discussions but are not eligible to make motions, second motions or to vote.

ARTICLE VI. BOARD OF DIRECTION

Section 1. Duties and Responsibilities

The Council Board of Direction, subject to the oversight and authority of the Board of Directors of the Institute, shall: (a) administer the affairs of the Council; (b) through the Institute's president, assign responsibility to the Council senior staff officer; (c) assign responsibility to all

committees, panels and other units of the Council necessary to conduct the Council's business; (d) develop and propose an annual budget for the Council; (e) provide technical expertise to states and their political subdivisions participating in the Council; (f) review and approve all reports and other documents containing findings, conclusions and recommendations of the Council and its Committees before public release; (g) make reports to the Board of Directors of the Institute; (h) solicit participating members for the Council; and (i) raise funds for the programs of the Council. The Board of Directors of the Institute shall have ultimate authority to approve the Council budget, to approve and authorize the execution of contracts related to the Council program and activities, and to approve, prior to their release, all public reports, studies and other documents.

Section 2. Membership

The Council Board of Direction shall include:

- a. Six sectoral directors elected by and from the members in good standing from their respective sectors, one director from each of the following designated sectors:
 1. Building Owners
 2. Design and Construction
 3. Insurance
 4. Banking
 5. Investment
 6. Appraisal
- b. Two directors-at-large elected by and from the Members in good standing.
- c. The immediate Past-Chair of the Council. In the event the immediate Past-Chair is not available to serve, the immediate Past-Chair position shall be appointed by a simple majority vote of the Board of Direction from the membership in good standing.
- d. A Board Member representative appointed by the Institute Board of Directors shall serve as an ex-officio member of the Board of Direction.

Section 3. Terms

Initially, the Institute Board of Directors will appoint one-third of the members of the Council Board of Direction for a term of three (3) years, one third shall be appointed to a two year term and one third shall be appointed to a one year term. Following expiration of the two- and one-year term positions, subsequent terms shall all be three years. Subsequent Council Board Members shall be elected by the Council members in good standing. Board members shall not serve more than two consecutive full three-year terms. However, nothing in this section shall preclude a director, initially appointed to a one- or two-year term or appointed to fill an unexpired term, from being elected to two subsequent full terms.

Section 4. Vacancies

Vacancies may be filled by the Council Board of Direction for an unexpired term.

Section 5. Meetings

The Council Board of Direction shall hold one annual meeting and other meetings as called by the Chair and majority of the Council Board of Direction.

Section 6. Quorum

A quorum for conduct of the business of the Council Board of Direction shall be a simple majority of the current members, not to include ex-officio members.

Section 7. Compensation

The Council Board of Direction members shall not receive compensation for their services as members of the Council Board of Direction but may be entitled to reimbursement for expenses incurred on behalf of the Council in accordance with the expense reimbursement policy established by the Council Board of Direction in accordance with Institute policies and available funding.

Section 8. Indemnification

Members of the Council Board of Direction shall be indemnified in accordance with Article X, Section 1 of the Bylaws of the Institute.

Section 9. Proxies

At any meeting of the Board of Direction, a member entitled to vote may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary before or at the time of the meeting. An electronic message shall be deemed to be a written notification.

Section 10. Rules of Order

Where these rules and procedures are in conflict with Robert's Rules of Order, these rules and procedures shall prevail. Where an issue is not covered by these rules and procedures, the most current version of Robert's Rules of Order shall prevail.

ARTICLE VII. OFFICERS

Section 1. Officers

The officers of the Council Board of Direction, who also shall be the officers of the Council, shall be the Chair, Vice-Chair and Secretary.

Section 2. Selection of Officers

The officers of the Council shall be elected at the Council Annual Meeting by majority vote of the Board of Direction from among the members on the Board of Direction. A vacancy in any

office because of death, resignation, removal or otherwise may be filled by the Board of Direction for the unexpired portion of the term.

Section 3. Terms

All elected officers are eligible to serve a maximum of two consecutive one-year terms in each officer position. Vacancies may be filled at any meeting of the Board of Direction. Each officer shall hold office until his successor has been duly elected or until he may resign or be removed in a manner provided within this charter.

Section 4. Removal

Any officer may be removed by the Board of Direction only by a vote of seventy-five percent (75%) of the Board of Direction at a duly called and convened meeting. Prior to such meeting, the affected officer shall receive thirty (30) days written notice from the Board of Direction. The decision of the Board of Direction in this regard shall be conclusive and no right of rehearing or appeal, administratively or judicially, shall exist as to the terminated officer.

Section 5. Duties and Responsibilities

The duties and responsibilities of officers shall be as follows:

- a. Chair. The Chair shall serve as the chief elected officer and representative of the Council and the Council Board of Direction, and shall preside at all meetings of the Council Board of Direction and of the Council. The Chair shall appoint with confirmation by the Council Board of Direction all committees, panels and other working groups of the Council. The Chair shall report on the activities of the Council at Institute Board meetings. In general, he/she shall perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board of Direction.
- b. Vice-Chair. The Vice-Chair shall act for the Chair in all respects during the temporary absence of the Chair and execute such other duties as may be assigned and delegated by the Chair.
- c. Secretary. The Secretary shall: (1) see that all notices of meetings are duly given; (2) keep or cause to be kept all books, minutes and other records of the activities of the Council and the Council Board of Direction as required by law or by this Charter; (3) sign such instruments as require the signature of the Secretary; and (4) in general, perform all duties incident to the Office of Secretary and such other duties as from time to time may be assigned.

ARTICLE VIII. EXECUTIVE COMMITTEE

Section 1. Composition

The Executive Committee will be composed of the Council Board of Direction Officers and the immediate Past Chair. The Executive Committee may determine that additional representatives shall be added to the Executive Committee.

Section 2. Functions

Subject to applicable provisions of law and to the direction of the Council Board of Direction, in the intervals between meetings of the Council Board of Direction, the Executive Committee may meet and may exercise any authority delegated by the Council Board of Direction.

ARTICLE IX. NOMINATIONS COMMITTEE

Section 1. Composition

The Nominations Committee shall consist of not more than four (4) members plus a chair, and shall be appointed by the Chair of the Council Board of Direction, subject to the concurrence of the Council Board of Direction.

Section 2. Functions

Prior to the Council Board of Direction's Annual Meeting, the Nominations Committee shall submit a slate of nominees to the Council Board of Direction for election to the Council Board of Direction.

Section 3. Processing of Nominations

Annually, the Secretary shall submit the slate of candidates from the Nominations Committee, with space for write-in candidates, to ballot by the members of the Council.

ARTICLE X. COMMITTEES AND PROJECTS

Section 1. Operation

Committees shall function under rules and procedures approved by the Council Board of Direction. Projects and activities shall function under either the Council Board of Direction or a Committee.

Section 2. Term

The Council Board of Direction, by majority vote, may create and terminate such committees and projects as it deems appropriate, subject to the concurrence of the Institute Board of Directors.

Section 3. Membership

Membership on other than the Executive Committee and administrative committees need not be restricted to members of the Council.

Section 4. Notice and Invitation

Timely notice shall be given of the formation of each committee and project, stating its mission and purpose and offering membership to all interested members of the Council.

ARTICLE XI. FINANCIAL AFFAIRS

Section 1. Grants, Contracts, and Donations

The Institute, on behalf of the Council, may receive grants, contracts, and donations, and may execute contracts, grants and other appropriate agreements on behalf of the Council. The Council shall not have the authority to bind the Institute.

Section 2. Funds

Fundraising shall be carried out under the direction of the Council Board of Direction, subject to the authority of the Institute Board of Directors. Accountability and administration of funds shall be the responsibility of the Institute. Disposition of such funds shall be used only for the activities authorized by the Council Board of Direction. Indirect costs of the Institute will be charged at a rate equal to that charged on other program income of the Institute. The Institute shall maintain separate accounting for the business of the Council and render an annual financial report and such other financial reports at such times as may be requested by the Council or the Council Board of Direction.

Section 3. Fiscal Year

The fiscal year of the Council shall be the same as that of the Institute.

ARTICLE XII. STAFF

Section 1. Senior Staff

The Institute will provide executive direction and technical direction as requested by the Council Board of Direction subject to available funding approved by the Institute Board of Directors in the annual Council budget. The selection, retention, duties and responsibilities shall be determined by the Institute President in consultation with the Council Board of Direction. The annual performance evaluations of staff shall be performed by the Institute President or assigned staff manager in consultation with the Council Executive Committee.

Section 2. Support Staff

The Institute will provide support staff as requested by the Council Board of Direction subject to available and approved funding. The selection, retention, duties, responsibilities and titles of the staff shall be determined by the Institute President in consultation with the Council Board of Direction.

Section 3. Technical Consultants

Technical consultants to the Council will be retained by the Institute as requested by the Council, subject to available and approved funding.

ARTICLE XIII. ANTITRUST COMPLIANCE

The Council Board of Direction and the Institute shall ensure that an Antitrust Policy that conforms to the requirements of federal and state law and any requirements of the United States government shall be in effect at all times and enforced. Further, the Council Board of Direction and the Institute shall ensure that the intent of the Antitrust Policy shall from time to time be conveyed to all members participating in activities of the Council Board of Direction, committees, membership or any other meeting that can be construed to be convened or sanctioned by the Council.

ARTICLE XIV. AMENDMENTS

Proposed amendments to this Charter may be offered by a written petition of twenty-five percent (25%) of the members of the Council or by majority vote of the Council Board of Direction. Proposed amendments will be reviewed by the Institute, prior to their submission to the membership for approval, to certify their compliance with the Institute's Congressional authorizing legislation, Articles, Bylaws and tax-exempt status. The Secretary shall cause such duly authorized proposed amendments to be submitted to the full membership for written ballot. All amendments shall be subject to acceptance by the Institute, which will not deny such amendments without due cause.

ARTICLE XV. TERMINATION OF COUNCIL

The Council may be terminated upon a two-thirds vote of the Board of Direction affirmed by a simple majority of the members in good standing. Upon termination of the Council, any remaining funds shall be transferred to the Institute's general operating fund.