

ILSI RESEARCH FOUNDATION

BYLAWS

ARTICLE I: GENERAL

SECTION 1. The name of this non-profit organization shall be ILSI Research Foundation (hereinafter the "Foundation"). The Bylaws of the Foundation, as set forth herein, shall be consistent with the Articles of Incorporation and Bylaws of International Life Sciences Institute (hereinafter "ILSI") and all relevant policies and procedures of the Board of Trustees of ILSI. As used herein, the terms "Board of Trustees" and "Council of Scientific Advisors" and the references to officers, unless stated otherwise, shall be as defined in these Bylaws. Where necessary or appropriate to the meaning, words of gender shall include all genders.

SECTION 2. The principal office of the Foundation shall be in the District of Columbia, or such other place within or without the District of Columbia as the Board of Trustees may from time to time determine or as the business of the Foundation may require.

SECTION 3. The purpose for which the Foundation is organized is exclusively scientific, charitable, and/or educational within the meaning of Section 509(a)(3) of the Internal Revenue Code, as those terms are defined in section 501(c)(3) of the Internal Revenue of 1986.

ARTICLE II: BOARD OF TRUSTEES

SECTION 1. The managing body of the Foundation shall be the Board of Trustees. At least five members of the Board of Trustees of the Foundation shall be Trustees who also serve on the Board of Trustees of ILSI. The Board of Trustees of the Foundation shall include the ILSI President, any ILSI Trustees who were nominated by the Research Foundation, at least two other ILSI Trustees, and at least three Trustees who are not members of the ILSI Board of Trustees. The number of Trustees of the Foundation shall be no fewer than nine and no more than fifteen and may be increased or decreased from time to time by amendment to the Bylaws. The Board of Trustees shall consist of a number of public Trustees (who represent universities, non-regulatory government agencies or quasi-government bodies, research institutes or foundations) at least equal to the number of Trustees who are representatives of industry.

SECTION 2. The Board of Trustees shall: (i) supervise, control, and direct the affairs of the Foundation; (ii) determine policies and changes in such policies; (iii) actively carry out objectives of the Foundation; (iv) supervise the disbursement of funds; and (v) adopt such rules and regulations for the conduct of its business as shall be advisable.

SECTION 3. The ILSI Board of Trustees shall elect each year, by a majority vote of the Trustees present at a meeting at which there is a quorum, Trustees to the Foundation Board of Trustees. If a vacancy occurs among the Trustees, the ILSI Board of Trustees shall elect another Trustee to fill the unexpired term.

3(a). A Nominating Committee shall be formed, composed of three Foundation Trustees appointed by the Foundation Chair, which shall annually present a slate of nominees to the ILSI Board of Trustees to fill vacancies on the Foundation Board of Trustees.

3(b). At each annual meeting, the ILSI Board of Trustees shall elect Trustees for a term of three years to succeed those whose terms then expire, with the objective that approximately one-third of the Foundation Board of Trustees be elected each year. All Trustees shall be eligible for reelection.

3(c). Any Trustee elected may be removed from office, at any time, by the affirmative vote of a majority of the ILSI Board of Trustees present at a meeting at which there is a quorum.

SECTION 4. The Foundation Board of Trustees may hold meetings, both regular and special, either within or outside the District of Columbia at such time and at such place as shall from time to time be determined by the Board. Special meetings may be called by the Chair on three days notice to each Trustee. Special meetings shall be called by the Chair or Secretary in like manner and on like notice on the written request of two Trustees. A quorum consists of one-half of the Board of Trustees and the one-half must include at least two officers of the Foundation. Except as otherwise expressly provided by law or these Bylaws, the act of a majority of the Board of Trustees present at any meeting at which there is a quorum shall be the act of the Board of Trustees.

SECTION 5. The Board of Trustees shall meet at least annually, as soon as convenient following the first day of January, at the call of the Chair, on at least thirty days written notice.

SECTION 6. There shall be an Executive Committee of the Foundation composed of the officers. The Executive Committee shall have all the powers of the Board of Trustees to transact business and routine affairs between meetings, but it may not take extraordinary actions. All transactions of the Executive Committee shall be reported in full at the next, regularly scheduled meeting of the Board of Trustees.

SECTION 7. The Executive Committee shall consist of a number of public members (who represent universities, non-regulatory government agencies or quasi-government bodies, research institutes, or foundations) at least equal to the number of Executive Committee members who are representatives of industry.

SECTION 8. The Chair shall appoint a Financial Oversight Committee, consisting of at least three members of the Board of Trustees, one of whom shall be the Treasurer. The Treasurer shall serve as Chair of the Financial Oversight Committee. Each member of the Financial Oversight Committee shall be free from any relationship that, in the opinion of the Board of Trustees, would interfere with the exercise of his or her independent judgment as a member of the Committee. Among other relevant matters, members of the Financial Oversight Committee should obtain the ability to understand financial statements, to evaluate accounting firm bids to undertake auditing, and to make sound financial decisions on behalf of the ILSI Research Foundation.

SECTION 9. The Financial Oversight Committee shall have the following responsibilities: (i) to provide the Board of Trustees with accurate and transparent statements of the ILSI Research Foundation's finances in order that the Board of Trustees may have the information needed to make its decisions; (ii) to make recommendations to the Board regarding investment strategy and policies; (iii) to review ILSI Research Foundation's annual financial statements and reports, including the compliance of ILSI Research Foundation's accounting and financial management systems and reports with generally accepted accounting principles for nonprofit organizations; (iv) after consulting with management, to review and recommend to the Board of Trustees the independent auditors to be selected to audit the financial statements; (v) to review and forward to the Board of Trustees communications of the external auditors, with such comments of its own as may be appropriate; and (vi) to periodically review the ILSI Research Foundation's system of internal controls, including its risk management systems, and make recommendations to the Board of Trustees for changes it considers desirable.

SECTION 10. The Chair shall appoint a Compensation Committee consisting of three trustees, none of whom shall have a conflict of interest with respect to the review and determination of the compensation of ILSI Research Foundation employees. The Compensation Committee shall review the compensation of the Executive Director and such other employees of ILSI Research Foundation the Compensation Committee determines appropriate annually, and whenever a modification in compensation is proposed. The review shall include an evaluation of the performance of the employees and an analysis of appropriate comparability data. Based on its review, the Compensation Committee shall recommend just and reasonable compensation amounts for the employees to the Executive Committee. At the request of the Chair, the Compensation Committee shall review any issue involving staff compensation and benefits.

SECTION 11. The Compensation Committee shall adequately document the basis for its determinations concurrently with making those determinations (within 60 days of the decision or the date of the next meeting of the Board of Trustees, whichever is later). Such documentation shall consist of written or electronic records of the Compensation Committee (such as meeting minutes), which must note a) the terms of the transaction and the date it was approved; b) the members of the Compensation Committee who participated in the transaction that was approved and those who voted on it; c) the comparability data obtained and relied upon and how the data were obtained; and d) any actions taken with respect to consideration of the transaction by anyone who is otherwise a member of the Board of Trustees but who had a conflict of interest with respect to the decision on the compensation.

ARTICLE III: OFFICERS

SECTION 1. The officers of the Foundation shall be elected by and from the Board of Trustees and shall include a Chair, a Vice Chair, a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. In addition, the ILSI Research Foundation Executive Director shall be an unelected officer of the organization.

SECTION 2. The Chair shall preside at all meetings of the Board of Trustees and the Executive Committee. He shall be the highest elected officer and, as such, shall be responsible for the general and active management of the Foundation, and shall see to the carrying out of all orders and resolutions of the Board of Trustees.

SECTION 3. The Vice Chair shall perform all duties of the Chair during the latter's absence, disability, refusal to act, or resignation until such time as the Chair resumes the duties of his office or a successor is elected and qualified. The Vice Chair shall have such other duties as are assigned by the Chair or the Board of Trustees, and shall assist the Chair as he may require.

SECTION 4. The Secretary shall: (i) ensure that all official correspondence and all official papers and records of the Foundation are kept at the Foundation's principal office in the District of Columbia; (ii) that all notices of meetings of the Board of Trustees are issued; and (iii) 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 by the Chair or by the Board of Trustees.

SECTION 5. The Treasurer shall: (i) be responsible for the funds of the Foundation; (ii) ensure that funds are collected and deposited in such banks or depositories, or invested, as may be approved by the Board of Trustees; and (iii) ensure that disbursements are made as ordered by the Board of Trustees. He shall render to the Chair and Board of Trustees, at its regular meetings or when the Board of Trustees requires, an account of all Foundation financial transactions as well as an account of the financial condition of the Foundation.

SECTION 6. The elected officers shall be elected by the Foundation Board of Trustees and each shall serve for a term of three years, or until either they are reelected or their successors are elected and qualified. The elected officers' terms shall be staggered so as to ensure their terms do not all expire simultaneously. Any vacancy occurring in any office of the Foundation shall be filled by the Foundation Board of Trustees.

SECTION 7. Any officer of the Foundation, elected or appointed, may be removed by the Foundation Board of Trustees whenever, in its judgment, the best interests of the Foundation will be served by such removal. Removal of an officer will be without prejudice to the contract rights, if any, of the person so removed. Election of an officer does not itself create contract rights.

ARTICLE IV: COUNCIL OF SCIENTIFIC ADVISORS

SECTION 1. The Board of Trustees shall establish a Council of Scientific Advisors, composed of eminent scientists from universities and government, to assume such other duties as are specified in these Bylaws and such other duties as may be assigned by the Board of Trustees. The Council of Scientific Advisors shall provide general guidance regarding the Foundation's broad research agenda and coordinate the Foundation's activities.

ARTICLE V: EXECUTIVE DIRECTOR

SECTION 1. The Board of Trustees may employ a salaried staff head who shall have the title of Executive Director, Research Foundation, and whose terms or conditions of employment shall be specified by the Board of Trustees in consultation with the Chair. In the absence of an Executive Director, Research Foundation, the functions of that position will be the responsibility of the ILSI Executive Director in consultation with the Chair.

SECTION 2. The Foundation Executive Director shall report to and be responsible to the Chair. The Foundation Executive Director shall manage and direct the activities of the Foundation, including the development of proposals for the scientific program of the Foundation, in consultation with the Chair and in cooperation with the ILSI Executive Director, to help ensure the Foundation's activities are coordinated in support of ILSI's mission and goals. Subject to the approval of the Chair, the Foundation Executive Director shall: (a) employ and may terminate the employment of staff necessary to carry on the work of the Foundation, (b) fix their compensation within ILSI's salary administration plan, guidelines, and approved Foundation budget; and (c) define the duties of such staff, supervise their performance, establish their titles and delegate those responsibilities of management as shall be in the best interests of ILSI and the Foundation.

ARTICLE VI: LEGAL COUNSEL

SECTION 1. The Foundation shall be represented by qualified legal counsel who shall be retained by the Chair with the approval of the Board of Trustees. Legal counsel shall render those legal services as are required by a charitable, scientific and educational foundation organized within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as well as such other legal advice and services as may be requested by the Chair, Foundation Executive Director and/or the Board of Trustees.

ARTICLE VII: COMPONENTS OF THE RESEARCH FOUNDATION

SECTION 1. The Board of Trustees may establish Components (e.g., institutes, centers, or other such substructures) as it sees fit to carry out the programs of the Foundation, obtain financing, and

assume such other duties as may be assigned by the Board of Trustees. The programs of any Component shall be established and conducted in coordination and collaboration with the other Foundation Components and the ILSI branches.

SECTION 2. Each Component shall submit a report of its operational and financial activities at the annual meeting of the Board of Trustees, at which time the Board of Trustees shall approve the Component's budget.

SECTION 3. All Components of the Foundation shall operate according to the general policies, procedures, and guidelines of ILSI and the Foundation.

ARTICLE VIII: FISCAL YEAR

SECTION 1. The fiscal year of the Foundation shall begin on the first day of January of each year.

ARTICLE IX: BUDGET

SECTION 1. The Foundation shall submit a report of its operational and financial activities at the annual meeting of the Board of Trustees at which time the Board of Trustees shall approve the Foundation's budget. The Foundation shall be responsible for operating within the approved budget. The Board of Trustees shall share the annual report on the Foundation's operational and financial activities with the ILSI Board of Trustees and ILSI Assembly of Members.

SECTION 2. The Foundation shall be responsible for all expenses it may incur and for obtaining the funds necessary to meet those expenses. Funds in support of Foundation activities are normally obtained by contributions from foundations, companies, government grants, and from returns on the Foundation endowment fund.

ARTICLE X: PROCEDURE

SECTION 1. Procedure shall be governed by such rules as the Board of Trustees may from time to time adopt. In the absence of the Trustees adopting any such rules, the officer presiding at the meeting shall rule on matters of procedure.

ARTICLE XI: AMENDMENTS

SECTION 1. These Bylaws may be altered, amended, or repealed or new Bylaws may be adopted at any regular or special meeting of the Board of Trustees upon an affirmative vote of three-fourths of the Trustees present at any meeting of the Board of Trustees at which there is a quorum. If any alteration, amendment, repeal, or addition of new Bylaws is to be made at a special meeting of the Board of Trustees, notice of such alteration, amendment, repeal, or addition shall be contained in the notice of such special meeting.

ARTICLE XII: INDEMNIFICATION

SECTION 1. The Foundation shall indemnify any trustee, officer, employee, agent, or volunteer, or any person who may have served at its request as a trustee, officer, employee, agent, or volunteer of another corporation, whether for profit or not for profit, against expenses actually and necessarily incurred by him in connection with the defense of any action, suit, or proceeding in which he is made a party by reason of being or having been such trustee, officer, employee, agent, or volunteer, except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be

liable for negligence or misconduct in the performance of a duty. Such indemnification shall not be deemed exclusive of any other rights to which such trustee, officer, employee, agent, or volunteer may be entitled, under any bylaw, agreement, vote of the Board of Trustees, or otherwise.

SECTION 2. The Board of Trustees may authorize the purchase of insurance on behalf of any trustee, officer, employee, agent, or volunteer against any liability asserted against or incurred by him that arises out of such person's status as a trustee, officer, employee, agent, or volunteer or out of acts taken in such capacity, whether or not the Foundation would have the power to indemnify the person against that liability under law.

SECTION 3. If any part of this Article shall be found in any action, suit, or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

ARTICLE XIII: DISSOLUTION

SECTION 1. Upon the dissolution of the Foundation, the Board of Trustees shall, after paying or making provision for the payment of all the liabilities of the Foundation, dispose of all the assets of the Foundation exclusively for the purposes of the Foundation in such manner, or to such organization(s) organized and operated exclusively for the purposes as shall at the time qualify as an exempt organization(s) under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law, as the Board of Trustees shall determine. Any such asset not so disposed of shall be disposed of by the appropriate court for the District of Columbia, exclusively for such purposes or to such organization(s), as said court shall determine.

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