

THE BYLAWS OF THE
AMERICAN INSTITUTE FOR ECONOMIC RESEARCH
With Revisions Adopted January 1, 2014

PREAMBLE

The American Institute for Economic Research, Inc. (AIER), performs scientific, educational, and charitable activities as a nonprofit tax-exempt organization within the meaning of the Internal Revenue Code.

PART I: GENERAL PROVISIONS

1. In order to avoid any possibility of bias resulting from an attempt to satisfy a few donors, AIER shall seek to derive its support primarily from diversified funding sources, with an emphasis on contributions by the general public.
2. AIER may not accept any gifts of money or other property that carry with them or include any restrictions on its research or that would involve activities inconsistent with its purposes.
3. There shall be no shareholders or individuals having a personal or private interest in AIER's resources. None of AIER's income or property may be divided among or distributed to any individuals except for reimbursement for services rendered as herein specified.
4. AIER shall be completely nonpolitical; it does not attempt to influence legislation except as permitted by law; it does not participate in any campaign activity for or against political candidates; no AIER funds shall be contributed to any political party or candidate, nor shall any of AIER's personnel be permitted to carry on political or religious activities of any kind during the regular hours of duty.
5. AIER shall not offer any securities, life insurance contracts, or investments, or counseling with respect to securities, life insurance contracts, or investments.
6. All AIER employees engaged in research or inquiry are required to make available first to AIER the product of such research or inquiry in whatever form it may be, if any substantial

portion of the work involved was done at AIER expense or involved the use of AIER resources.

7. The names of those who purchase the publications or services of AIER or of its subsidiaries, or who inquire about their activities, or who make contributions to AIER, shall not be rented or sold to any agency or individual outside AIER and its subsidiaries. The names will not be given to any agency or individual outside AIER and its subsidiaries, other than to express gratitude and recognition to those AIER donors who have consented to public recognition.

8. AIER may not engage in a general publishing business; and no paid advertising by outside political or for-profit interests shall appear in AIER publications.

9. The results of AIER's scientific research shall be available to the general public as well as to any educational institution.

10. All meetings of the Members of the Corporation, of the Board of Trustees, and of any committees of either, shall be governed by the latest edition of Robert's Rules of Order, except as may be otherwise indicated herein.

11. Regular mail or electronic communications may be used for all notices described herein, unless prohibited by the governing rules of procedure. Teleconferencing and videoconferencing may be used, subject to the governing rules of procedure.

12. Any decision by the Board of Trustees to terminate AIER's activities and/or petition for dissolution shall be subject to approval by a majority of the whole Membership. In the event of the termination of AIER's activities, and subject to the approval of the Massachusetts Attorney General's Office and the Massachusetts Supreme Judicial Court, and/or subject to any other requirement set forth in current applicable law, all remaining assets shall be transferred at the direction of the Board of Trustees to one or more similar nonprofit, educational, and scientific organizations, which at the time of such transfer shall qualify as organizations described in then-current nonprofit provisions of the Internal Revenue Code or any similar or successor provisions.

PART II: MEMBERS OF THE CORPORATION

1. For reasons of convenience, Members may be referred to as “the Membership” or “Voting Members.”
2. Members constituting a majority of the entire Membership shall constitute a quorum for any meeting of the Members.
3. The Members may, by a majority vote, elect additional Members, who shall serve for four (4) years and shall be eligible for reelection for successive four (4) year terms; however, the term of any Member who is an employee of AIER or of an AIER subsidiary shall expire on the date such Member’s status as an employee ceases. Starting on the date of revision of these Bylaws, no employee of AIER or of any AIER subsidiary may be a Member (current Members excepted).
4. Trustees who are not Members, but who are reelected for a second term as Trustee, shall automatically thereby become Members and shall retain that status while serving as Trustees.
5. A Member may vote either in person or by proxy. Each proxy must be executed in writing, shall be filed with the Secretary before being voted at any meeting or adjournment thereof, and shall not be valid after final adjournment of such meeting.
6. The Members shall meet annually, with ten (10) days’ written notice as to place, date and time. Special meetings of the Members may be called on ten (10) days’ notice in writing to each Member thereof, and may be called by the President or at the written request of fifteen (15) percent of the total Membership.
7. Reports on organizational affairs and on AIER’s financial status as determined by an independent auditor shall be rendered at least once a year to the Members, either by mail, electronic delivery, or at a meeting; provided that if the reports are presented at a meeting of the Members, copies of the written reports shall be mailed to all Members who were absent.
8. The Members reserve to themselves the following powers:
 - a. To amend AIER’s Bylaws;
 - b. To elect the Trustees, or to remove them from office without cause;

c. To elect the Secretary of the Corporation (“Secretary”) and to fill vacancies in that position;

d. To elect the Standing Committee of the Members;

e. To approve termination of AIER’s activities.

9. The Standing Committee shall be elected at each Annual Meeting for two (2) year terms; and shall consist of up to nine (9) persons, but no less than seven (7) persons, all of whom shall be Members, no more than three (3) of whom shall be Trustees, and none of whom shall be paid employees of AIER or of any subsidiary. If necessary to stagger the terms, a lesser number of years for any particular term is permissible. A Standing Committee member shall be eligible for reelection for a maximum of six successive terms. A Standing Committee member whose terms have expired may be renominated to the Standing Committee after a hiatus of one year. He or she may remain active in any subcommittees until termination of the subcommittee. The initial term of a Standing Committee member elected to succeed a Standing Committee member whose term of office has not yet expired shall be only for the remainder of the unexpired term. An Alternate may be elected to serve in the absence of a regularly elected Standing Committee member.

a. The Standing Committee may exercise all powers of the Members between meetings of the Members, except that the Standing Committee shall have no power to amend AIER’s Bylaws, remove a Trustee from office without cause, or approve termination of AIER’s activities.

b. The Standing Committee shall elect its own Chairman and AIER’s Secretary shall be its Secretary.

c. Meetings of the Standing Committee may be called by the Chairman of the Committee, the Secretary, or by any three (3) Committee members, on ten (10) days’ notice to each member thereof.

d. The Standing Committee, in cooperation with the Board of Trustees, with review by legal counsel and subject to the approval of the Membership, will maintain Guidelines describing the qualifications for AIER Membership, for the Standing Committee and for the Board of Trustees, and setting forth the nomination and election process. Any such

Guidelines must conform to the Bylaws, and any conflict between them and the Bylaws shall yield to the Bylaws.

10. Any Member may resign by delivering, via mail, fax or e-mail, his or her written resignation to the Corporation at its principal office. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time.

PART III: BOARD OF TRUSTEES

1. The Board of Trustees shall consist of no more than thirteen (13) persons and no less than seven (7) persons. No one shall be eligible for election as a Trustee while serving as a paid employee of AIER or of any AIER subsidiary.

2. The Trustees shall be elected by the Members. Each new Trustee shall be elected for a term of three (3) years to expire at the third AIER Annual Meeting following the meeting at which such Trustee was elected. If necessary to stagger the terms, a lesser number of years for any particular term is permissible. A Trustee shall be eligible for reelection for a maximum of three successive terms. A Trustee whose terms have expired may be renominated as a Trustee after a hiatus of one year. He or she may remain active in any subcommittees until termination of the subcommittee. The initial term of a Trustee elected to succeed a Trustee whose term of office has not expired shall be only for the remainder of the unexpired term. The Members may elect an Alternate Trustee who shall serve in the absence of a regularly elected Trustee.

3. Trustees shall receive no compensation, but only reimbursement of expenses, in connection with AIER business.

4. The Trustees shall meet at least twice a year, with ten (10) day's notice. A quorum for Board meetings shall consist of a majority of the Trustees then in office. Voting by proxy is not permitted. Decisions of the Board require a majority vote of those in attendance when the vote is taken. Special meetings of the Board of Trustees may be called by the Chairman of the Board, by the President, or at the written request of any three (3) Trustees, on ten (10) days' notice to the members of the Board.

5. The Board shall elect its Chairman for a period of one (1) year or until a successor is elected.

6. The Board of Trustees shall, on AIER's behalf, have the power to collect, sue for, receive, and receipt for all sums of money at any time coming due to AIER; to buy and sell property, both real and personal; to employ counsel; to borrow money and issue notes to evidence such debts; to mortgage the corporate property; to buy, sell, lease, mortgage, and otherwise acquire stocks, bonds, or other securities; to make all necessary contracts, orders, and obligations; and to take any other action required for accomplishing AIER's purposes. The Trustees may delegate the performance of these responsibilities to the Officers, but shall not relinquish ultimate responsibility for these powers.

7. AIER shall make no sale, mortgage, or alienation of its property other than sales in the ordinary course of business except upon adoption of a resolution by the Board of Trustees authorizing same, which shall be duly recorded in the Minutes of the Board of Trustees' meetings.

8. The Board of Trustees shall have the power to appoint such agents as it deems necessary to carry out its duties, and to fix the compensation of such agents. The Trustees may delegate the performance of these responsibilities to the Officers, but shall not relinquish ultimate responsibility for these powers.

9. The Board of Trustees shall have the power to remove from office the President, the Director of Research and Education, and the Comptroller, with or without cause; to fill vacancies in these positions; and to determine the compensation of these officers.

10. Any Trustee may resign by delivering, via mail, fax, or e-mail, his or her written resignation to the Corporation at its principal office. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time.

11. A Trustee may be removed from office (a) with or without cause by vote of a majority of Members entitled to vote, or (b) for cause by vote of a majority of the Board of Trustees then in office. A Trustee may be removed for cause only after reasonable notice and opportunity to be heard before the body proposing removal.

12. The Board of Trustees may designate persons to receive an honorary title such as “Trustee Emeritus,” or such other title as the Board of Trustees may choose. Unless the Board of Trustees otherwise determines, such persons shall serve in an honorary capacity and shall have no further rights and responsibilities with respect to AIER’s Board, including without limitation any right to notice of, or to speak or vote at, any meeting of the Board of Trustees.

PART IV: OFFICERS AND FACULTY

1. AIER’s principal management officers shall be the President, the Director of Research and Education, and the Treasurer (“Comptroller”). The Board of Trustees shall have the power to split or combine the specific functions and to choose the titles of any officers. All of said officers shall serve at the pleasure of the Board of Trustees.

a. The President shall serve as, and with the powers of, AIER’s principal executive and administrative officer, including the administration of those funds for which AIER may be designated as Trustee, and shall represent AIER as shareholder with respect to any corporation in which AIER holds stock. The President shall be responsible in all matters to the Board of Trustees, and shall supervise the work of the Director of Research and Education and of the Comptroller.

b. The Director of Research and Education shall be responsible for AIER’s research and educational activities, including publications; shall report periodically to the Board on such activities at the Board’s request; shall chair the Faculty; and, unless the Board directs otherwise, shall carry out the duties of the President during any temporary absence or incapacity of the President.

c. The Comptroller shall be responsible for AIER’s financial records, for implementing AIER financial policy, and for providing timely reports to the President and the Board of Trustees. The Comptroller shall have the power to sign checks and other financial documents essential to AIER’s routine operations; provided that all funds in excess of those required for payment of routine monthly bills shall be placed promptly in reserve accounts or investments requiring two (2) signatures for withdrawals or sales.

2. The Secretary shall serve at the will of the Members and may be removed from office, without cause or notice, by a vote of the Members. The term of the Secretary shall be four (4) years. A person who has served as Secretary is eligible for additional four-year terms, which may or may not be consecutive. If the Secretary is not a resident of Massachusetts, AIER shall appoint a resident agent for service of process.

a. The Secretary may appoint an Assistant Secretary who shall serve at the pleasure of the Secretary and shall have the powers and duties of the Secretary in his or her absence.

b. The Secretary, or an Assistant Secretary, shall make, keep, preserve, and authenticate accurate, fair, and concise records of all proceedings of the meetings of the Members, the Board of Trustees, and any committees thereof. The records of the proceedings of such meetings as certified by the Secretary, which records shall be kept at AIER's home office, shall be the official records of such proceedings. The Secretary shall give the required notices of all meetings of the Members, the Board of Trustees, and any committees thereof, and shall attend all such meetings. The Secretary shall have no right to participate in the discussion or to vote at any meeting unless the Secretary is a duly elected voting member of the group involved.

3. Any officer may resign by delivering his or her written resignation to the Corporation at its principal office, and such resignation shall be effective upon receipt unless it is specified to be effective at some later time.

4. AIER's Faculty shall supervise research and educational methods to ensure that AIER's research conforms with modern scientific procedures as AIER has determined they should be applied in economics; and that neither the research nor the educational activities are dictated by persons having interests that conflict with AIER's nonpolitical, noncommercial, scientific, and educational character. In the event that the majority of the Faculty concludes that there is a threat to AIER's integrity, the Director of Research and Education shall communicate that majority view to the Board of Trustees, regardless of whether or not the said Director agrees with that majority view.

a. The Director of Research and Education makes appointments to the Faculty subject to the approval of the President and of the Board of Trustees.

b. The internal procedures governing Faculty deliberations and the specific terms and conditions of Faculty and professional research staff appointments, all of which shall be consistent with these Bylaws, are described in the Faculty Handbook, which shall be maintained by the Director of Research and overseen by the Board of Trustees.

PART V: AMENDMENTS TO THE BYLAWS

1. In view of the changing laws, conditions, and circumstances under which AIER operations are conducted, from time to time the Bylaws are amended, but always in a manner to ensure that AIER shall operate as a nonprofit tax-exempt organization and as an organization that is not a private foundation, within the meaning of the relevant Internal Revenue Code sections, as amended.

2. Amendments to the Bylaws, unless otherwise specified in any such amendment, shall be effective upon adoption. Each amendment to the Bylaws shall contain a parenthetical notation indicating the date on which the same was adopted.

3. Amendments to the Bylaws require a two-thirds vote of the entire Membership for adoption. Amendments may be adopted at the Annual Meeting, at any special meeting if notice of the complete substance of the proposed amendment was included in the call for the meeting, or by a mail vote provided that the Members have thirty (30) days to return their ballots from the date AIER mailed the ballots to the Members.

PART VI: INDEMNIFICATION

1. Definitions: For purposes of this Part:

(a) A “Trustee” or “Officer” means any person serving as an AIER trustee or officer, or in any other office filled by appointment or election by the Trustees, and also includes (i) a Trustee or Officer of AIER serving at AIER’s request as a trustee, officer, employee, director, partner or other agent of another organization, and (ii) any person who formerly served as a Trustee or Officer;

(b) “Expenses” means (i) all expenses (including attorneys’ fees and disbursements) actually and reasonably incurred in defense of a Proceeding, in being a witness in a Proceeding, or in successfully seeking indemnification under this Part, (ii) such expenses incurred in connection with a Proceeding initiated by a Trustee or Officer as may be approved by the Board of Trustees, and (iii) any judgments, awards, fines or penalties paid by a Trustee or Officer in connection with a Proceeding or reasonable amounts paid in settlement of a Proceeding; and

(c) A “Proceeding” means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and any claim that could be the subject of a Proceeding.

2. Right to Indemnification. Except as limited by law or by Section 6 of Chapter 180 of the Massachusetts General Laws and to the extent that AIER’s exemption from federal taxation is not adversely affected thereby, AIER may indemnify its Trustees and Officers against all Expenses incurred by them in connection with any Proceedings in which they are involved as a result of their service as a Trustee or Officer, except that (i) no indemnification shall be provided for any Trustee or Officer regarding a matter as to which it shall be determined pursuant to Paragraph 5 of this Part or adjudicated that he or she did not act in good faith and in the reasonable belief that his or her action was in AIER’s best interest, or with respect to a criminal matter, that he or she had reasonable cause to believe that his or her conduct was unlawful, and (ii) no indemnification shall be provided for any Trustee or Officer with respect to any Proceeding by or in the right of AIER or alleging that a Trustee or Officer received an improper personal benefit if he or she is adjudged liable to AIER in such Proceeding or, in the absence of such an adjudication, if he or she is determined to be ineligible for indemnification under the circumstances pursuant to Paragraph 5 of this Part.

3. Settled Proceedings. If a Proceeding is compromised or settled in a manner that imposes any liability or obligation upon a Trustee or Officer, no indemnification shall be provided to him or her with respect to such proceeding if it is determined pursuant to Paragraph 5 of this Part on the basis of the circumstances known at that time (without further investigation) that said Trustee or Officer is ineligible for indemnification.

4. Advance Payments. Except as limited by law, Expenses incurred by a Trustee or Officer in defending any Proceeding, may be paid by AIER to said Trustee or Officer in advance of

final disposition of the Proceeding upon receipt of his or her written undertaking to repay such amount if he or she is determined pursuant to Paragraph 5 of this Part or adjudicated to be ineligible for indemnification, which undertaking shall be an unlimited general obligation but need not be secured and may be accepted without regard to the financial ability of such person to make repayment; provided, however, that no such advance payment of Expenses shall be made if it is determined pursuant to Paragraph 5 of this Part on the basis of the circumstances known at that time (without further investigation) that said Trustee or Officer is ineligible for indemnification.

5. Determinations; Payments. The determination of whether a Trustee or Officer is eligible or ineligible for indemnification under this Part and the amount of indemnification to be paid shall be made in each instance by (a) a majority of the Trustees or a committee thereof who are not parties to the Proceeding in question, (b) independent legal counsel appointed by a majority of such Trustees, or if there are none, by a majority of the Trustees in office, or (c) a vote of the Members who are not parties to the Proceeding in question. Notwithstanding the foregoing, a court having jurisdiction (which need not be the court in which the Proceeding in question was brought) may grant or deny indemnification in each instance under the provisions of law and this Part.

6. Insurance. AIER shall have power to purchase and maintain insurance on behalf of any Trustee, Officer, agent, employee, or director against any liability or cost incurred by him or her in any such capacity or arising out of his or her status as such, whether or not AIER would have power to indemnify him or her against such liability or cost.

7. Responsibility with Respect to Employee Benefit Plan. If AIER or any of its Trustees or Officers sponsors or undertakes any responsibility as a fiduciary with respect to an employee benefit plan, then for purposes of indemnification of such persons under this Part (i) a "Trustee" or "Officer" shall be deemed to include any Trustee or Officer of AIER who serves at its request in any capacity with respect to said plan, (ii) such Trustee or Officer shall not be deemed to have failed to act in good faith in the reasonable belief that his or her action was in AIER's best interests if he or she acted in good faith in the reasonable belief that his or her action was in the best interests of the participants or beneficiaries of said plan, and (iii) "Expenses" shall be deemed to include any taxes or penalties imposed on such Trustee or Officer with respect to said plan under applicable law.

8. Heirs and Personal Representatives. The indemnification provided by this Part shall inure to the benefit of the heirs and personal representatives of a Trustee or Officer.

9. Non-Exclusivity. The provisions of this Part shall not be construed to limit AIER's power to indemnify its Trustees or Officers to the full extent permitted by law or to enter into specific agreements, commitments or arrangements for indemnification permitted by law. In addition, AIER shall have power to indemnify any of its agents or employees who are not Trustees or Officers on any terms not prohibited by law that it deems to be appropriate. The absence of any express provision for indemnification herein shall not limit any right of indemnification existing independently of this Part.

10. Amendment. The provisions of this Part may be amended or repealed by the Members only; however, no amendment or repeal of such provisions that adversely affects the rights of a Trustee or Officer under this Part with respect to his or her acts or omissions at any time prior to such amendment or repeal, shall apply to him or her without his or her consent.