

BYLAWS
OF
LEAN CONSTRUCTION INSTITUTE, INC.

1. Office

- 1.1 *Executive Office.* The executive office of business of Lean Construction Institute, Inc. (“Corporation”) shall be in the County of Arlington, Commonwealth of Virginia.
- 1.2 *Offices.* The Corporation may also have offices at such places as the Board of Directors may from time to time determine or the business of the Corporation may require.

2. Members

- 2.1 *No Voting Members.* The Corporation shall have no voting members.
- 2.2 *Affiliate Members.* The Corporation shall have affiliate members. Affiliate members shall be those individuals and organizations that contribute financially to the Corporation and receive benefits as determined by the Corporation. For purposes of clarification, the affiliate members are not statutory members and have no voting rights.

3. Directors

- 3.1 *Number, Qualifications, and Election.* The number of directors that shall constitute the whole Board shall be neither less than three nor more than 20. The nonvoting directors shall consist of the Executive Director, an academic representative (if appointed) and representatives of up to two outside organizations approved by the Board. At least one voting director shall be elected from the following groups: Owners, General Contractors, Designers (including engineers), and Trade Contractors. Furthermore, one voting director may be an outside consultant who specializes in Lean Construction principles. Within the limits specified above, the number of directors shall be determined by resolution of the directors (see 3.9 below). The directors shall be elected at the annual meeting of the directors, except as provided in Paragraph 3.4 below, and each director elected shall hold office until his or her successor is elected and qualified, unless sooner displaced. The directors shall be classified with respect to the time for which they shall severally hold office by dividing them into three groups, each group to consist, as nearly as possible, of one-third of the number of directors then constituting the entire Board of Directors. At each annual meeting of the directors, the successors to the group of directors whose terms shall expire that year shall be elected to hold office for a term commencing on the following 1st of January and expiring on the 31st of December three years thereafter, so that the term of office of one group of directors shall expire in each year. Voting directors shall only be able to serve successive terms totaling 6 years. There is no limit on the number of terms nonvoting directors may serve. Other considerations as to qualifications of board members and the recommendations and nominations process for new members may be found in separate, board approved policy

documents addressing the process as well as the Equity, Diversity and Inclusion goals of the board.

- 3.2 *Resignations.* Any director may resign at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the Board of Directors, the chair, or secretary of the Corporation. The acceptance of a resignation shall not be necessary to make it effective.
- 3.3 *Removal.* Any director may be removed either for or without cause at any time by the affirmative vote of two-thirds of the directors entitled to vote and the vacancies thus created may be filled by the affirmative vote of a majority of the directors entitled to vote.
- 3.4 *Vacancies.* Vacancies and newly created director positions may be filled by vote of a majority of the directors then in office. If the latter should constitute less than a quorum, directors so chosen shall hold office until the next annual election and until their successors are duly elected and seated, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute.
- 3.5 *Powers.* The business of the Corporation shall be managed by its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things. For its own government, the Board of Directors may adopt operating rules that are not inconsistent with the Articles of Incorporation or these Bylaws.
- 3.6 *Place of Meeting.* The Board of Directors of the Corporation may hold meetings, both regular and special, in any place of its choosing.
- 3.7 *Notice of Regular Meetings.* Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board.
- 3.8 *Calling Special Meetings.* Special meetings of the Board may be called by the Corporation's chair on at least two days' notice to each director. Special meetings shall be called by the chair or secretary in like manner and on like notice on the written request of two directors, unless there are less than three directors, in which case the request of one director shall be sufficient.
- 3.9 *Annual Meetings.*
 - 3.9.1 *Date and Time.* Annual meetings of the directors shall be held on any date during the year chosen by the board of directors or the executive committee acting on its behalf and stated in the notice of the meeting.
 - 3.9.2 *Business Transacted.* At the annual meeting, the directors shall elect the necessary directors and transact such other business as may properly be brought before the meeting.

- 3.9.3 Notice. Written notice of the annual meeting stating the place, date, and hour of the meeting shall be given to each director entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.
- 3.10 *Quorum; Voting.* At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting of which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present at the meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.
- 3.11 *Telephone and/or Virtual Meetings.* The Board of Directors and any committee thereof may hold meetings through the use of telephone or other communications equipment if all persons participating can hear each other and can communicate with each other. Participation in such a meeting shall constitute presence at such meeting.
- 3.12 *Written Consent Action.* Unless otherwise prohibited, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing. The consent shall be filed with the minutes of proceedings of the Board or committee, as applicable.
- 3.13 *Executive Committee.*
- 3.13.1 Composition. The Executive Committee shall consist of the chair, vice chair, treasurer, and secretary.
- 3.13.2 Authority. Except as otherwise provided herein, and in any Board resolution limiting the powers of the Executive Committee, such committee shall, during intervals between the meetings of the Board, possess and may exercise all of the powers of the Board in the management of the Corporation's affairs. However, the Executive Committee shall not have the authority of the Board in reference to electing, appointing, or removing any member of the Executive Committee, director, or officer of the Corporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the Corporation's property and assets; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the Corporation's assets; or amending, altering, or repealing any resolution of the Board which by its terms provides that it shall not be amended, altered, or repealed by the Executive Committee. The Executive Committee also works closely with the Governance Committee on matters affecting board operations and development of its internal policies, consistent with the board-approved charter for the Governance Committee.

3.13.3 Records. The Executive Committee shall keep full records and accounts of its proceedings and transactions. All action by the Executive Committee shall be reported to the Board at its meeting next succeeding such action and shall be subject to control, revision, and alteration by the Board, provided that no rights of third parties shall be prejudicially affected thereby.

3.13.4 Rules. Subject to the provisions contained herein, the Executive Committee shall fix its own rules of procedure and shall meet as provided by such rules or by resolutions of the Board, and it shall also meet at the call of the chair or any two members of the Executive Committee. Unless otherwise provided by such rules or by such resolutions, the provisions contained herein relating to notice required to be given of Board meetings shall also apply to Executive Committee meetings. A majority of the members of the Executive Committee then in office shall be necessary to constitute a quorum, and approval of any matter by the Executive Committee shall require the affirmative vote of a majority of the members present at the meeting. The Executive Committee may act in writing without a meeting, but no such action of the Executive Committee shall be effective unless concurred in by all members of the Executive Committee.

3.14 *Compensation of Directors.* The directors shall receive no compensation for serving as directors, but directors may be reimbursed for selected expenses incurred in the course of; attendance at each face-to-face meeting of the Board of Directors. Such covered expenses include hotel accommodations needed for direct participation in the meeting (typically one or two room nights), plus LCI-organized group meal or reception functions held during or in connection with board meetings. For cases in which a board member may be temporarily between jobs or otherwise unable to have full airline and other travel expenses covered by an employer, all such expense costs may be reimbursed at the discretion of the Executive Committee or board. Affected members should submit such requests for reimbursement to the Executive Director, who will process the request for approval by the Executive Committee or board at an upcoming meeting. No director shall be prohibited from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like expense reimbursement for attending committee meetings.

3.15 *Conflicts of Interest.* No director may serve on the Board of Directors if he/she has a personal or business-related conflict of interest that would adversely affect the ability to fairly and impartially enter into the board's policy or business discussions and act in accordance with LCI's best interest at all times. Accordingly, all incoming board members will be required to read and sign a board-established Conflict of Interest policy upon taking office, and at such other times and intervals as the board may determine proper (see separate LCI Conflict of Interest policy.)

4. Notices and Minutes

- 4.1 *Notices.* Notice required under any statute, the Articles of Incorporation, or these Bylaws to be given to any member or director shall be given in writing and may be given either in person, by courier, by prepaid express or overnight delivery service, by mail with postage thereon prepaid, or by telefax, addressed to such member or director at his or her address as it appears on the records of the Corporation. Such notice shall be deemed to be given when delivered in person, one day after placement with courier or delivery service, two days after deposit in the United States mail, or upon electronic confirmation of the telefax transmission, as applicable.
- 4.2 *Waiver of Notice.* Notice required under any statute, the Articles of Incorporation, or these Bylaws may be waived in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein. The attendance of any director at any such meeting without protesting the lack of proper notice before or at the commencement of the meeting shall be deemed to be a waiver by him or her of notice of such meeting.
- 4.3 *Minutes.* Minutes of all of the proceedings of the meetings of the Board of Directors and committees of the Board of Directors, including the Executive Committee, shall be recorded and kept in books maintained for that purpose.

5. Officers

- 5.1 *Identity and Qualification.* The officers of the Corporation shall be appointed by the Board of Directors and shall be a chair, a vice chair, a secretary, and a treasurer. The same person may hold more than one office, other than that of chair and vice chair. In addition, appointing the same person to serve as chair and secretary shall be avoided. The Board of Directors may appoint such other officers and agents as it shall deem necessary.
- 5.2 *Appointment.* The Board of Directors shall appoint the officers of the Corporation at each annual meeting of directors.
- 5.3 *Compensation.* The officers shall receive no compensation for serving as directors, unless otherwise approved by the directors; but the officers may be paid their expenses, if any, incurred in connection with the performance of their duties as officers. (See section 3.15).
- 5.4 *Term of Office.* The officers of the Corporation serve at the pleasure of the Board of Directors, and shall hold office until their successors are appointed, qualified, and serving, unless sooner displaced. Any officer appointed by the Board of Directors may be removed with or without cause at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors.

- 5.5 *Duties of Chair.* The chair shall preside at all meetings of the Board of Directors, and shall perform such other duties as the Board of Directors may from time to time prescribe.
- 5.6 *Duties of Vice Chair.* In the absence of the chair or in the event of the chair's inability or refusal to act, the vice chair shall perform the duties of the chair, and when so acting, shall have all the powers of and be subject to all the restrictions upon the chair. The vice chair shall perform such other duties as the Board of Directors or the chair, under whose supervision they shall be, may from time to time assign.
- 5.7 *Duties of Secretary.* The secretary shall (a) attend all meetings of the Board of Directors, (b) record all of the proceedings of the meetings of the Board of Directors in a book to be kept for that purpose and perform like duties for the committees of the Board of Directors when required, (c) give, or cause to be given, notice of all special meetings of the Board of Directors, (d) authenticate all records and documents of the Corporation whenever appropriate, and (e) perform all duties normally incident to the office of secretary and such other duties as the Board of Directors or the chair, under whose supervision he or she shall be, may from time to time assign.
- 5.8 *Duties of Treasurer.* The treasurer shall (a) render to the chair and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of the financial condition of the Corporation, and (b) perform all duties normally incident to the office of treasurer and such other duties as the Board of Directors or the chair, under whose supervision he or she shall be, may from time to time assign or enumerate in a board-approved position description for the treasurer. Other duties are enumerated in the board-approved charter for the Finance and Audit Committee, for which the Treasurer serves as chair.
- 5.9 *Executive Director.* The Board of Directors shall appoint an Executive Director. The Executive Director shall have general and active management of the business of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The Executive Director shall report to the Executive Committee. He or she shall execute, acknowledge, and deliver contracts, on behalf of the Corporation, except where required or permitted by law to be otherwise executed or where the Board of Directors expressly delegates the execution thereof to some other officer or agent of the Corporation. He or she shall perform all duties as the Board of Directors and Executive Committee may from time to time prescribe.
- 5.10 *Bond.* If required by the Board of Directors, any officer, employee, or agent of the Corporation who may receive, handle, or disburse money for the Corporation's account or who may have any of the Corporation's property in his or her custody or be responsible for its safety or preservation, shall give the Corporation a bond (which shall be renewed every five years) in such sums and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the Corporation, in case of his or her death, resignation, retirement, or removal from office, of all books, papers, vouchers, money,

and other property in his or her possession or under his or her control belonging to the Corporation.

6. Indemnification

- 6.1 *Obligation to Indemnify.* If any person is made or threatened to be made a party to any action or proceeding, whether criminal, civil, administrative, or investigative, because he or she, or his or her testator or intestate, is or was a director, officer, employee, agent, or volunteer of the Corporation or any predecessor of the Corporation or serves or served any other enterprise as a director, officer, employee, agent, or volunteer at the request of the Corporation or any predecessor of the Corporation, then the Corporation shall indemnify such person to the full extent and in the manner that corporations are so authorized by law.
- 6.2 *Expenses Advanced.* The Corporation may pay expenses incurred in defending a civil or criminal action, suit, or proceeding before the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in a specific case upon receipt of an undertaking by or on behalf of the director, office, employee, agent, or volunteer to repay such advanced amount unless it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as authorized by this Section. This determination shall be made by disinterested directors or by independent legal counsel.
- 6.3 *Indemnification Not Exclusive Remedy.* The indemnification provided by this Section shall not be exclusive of any other rights to which a person seeking indemnification may be entitled by any law of the State of Idaho, these Bylaws, agreement, vote of disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.
- 6.4 *Duration of Indemnification.* The indemnification provided by this Section shall continue as to a person who has ceased to be a director, officer, employee, agent, or volunteer and shall inure to the benefit of the heirs, executors, and administrators of such a person.
- 6.5 *Insurance.* The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, agent, or volunteer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent, or volunteer of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Section.

7. General Provisions

- 7.1 *Checks.* All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

- 7.2 *Fiscal Year.* The fiscal year of the Corporation shall be January 1 through December 31, or as otherwise fixed by resolution of the Board of Directors.
- 7.3 *Seal.* The Corporation shall have no corporate seal, unless otherwise determined by resolution of the Board of Directors.
- 7.4 *Amendments.* These Bylaws may be altered, amended, repealed, or replaced by an affirmative vote of a majority of the directors entitled to vote thereon at any meeting called and held for that purpose.

Approved by LCI Board of Directors
October 28, 2020