

BYLAWS
Research Corporation of the University of Hawai'i

ARTICLE 1
General Provisions

SECTION 1. As used in these Bylaws, the word "Corporation" means the Research Corporation of the University of Hawai'i; "Board" means the Board of Directors of the Corporation; "Board of Regents" means Board of Regents of the University of Hawai'i; "Director" means a member of the Board of Directors of the Corporation; H.R.S. means Hawai'i Revised Statutes; and "University" means the University of Hawai'i.

SECTION 2. The seal of the Corporation shall be circular with the words "The Research Corporation of the University of Hawaii, Honolulu, Hawaii" surrounding the word "Seal".

ARTICLE 2
Board of Directors - Composition

SECTION 1. The Board composition shall be as provided in [§304A-3002, H.R.S.](#)

SECTION 2. The term of members of the Board selected by the Board of Regents shall not extend beyond the term as a member of the Board of Regents. The term of a Board member shall expire upon the failure of the member, without valid excuse, to attend three (3) consecutive meetings duly noticed to all members of the Board of Directors and where the Board failed to constitute a quorum necessary to transact business. The Chairperson of the Board of Directors shall determine if the absence of the member is excusable. The expiration of the member's term shall be effective immediately after the third consecutive unattended meeting and unexcused absence. This provision shall not apply to ex-officio members of the Board.

SECTION 3. All members of the Board shall serve without pay but shall be entitled to reimbursement for necessary expenses while attending meetings and while in the discharge of their duties and responsibilities.

ARTICLE 3
Board of Directors - Meetings

SECTION 1. The annual meeting of the Board shall be held during the third or fourth quarter of the calendar year for the purpose of electing a Chairperson and Vice Chairperson as provided in Article 5; for the election of other officers as provided in Article 5; for receiving reports; for the formulation and discussion of plans for the ensuing year; and for the transacting of such other business as may come before it.

SECTION 2. Other than the annual meeting, regularly scheduled meetings of a more frequent nature may be held at such times and places as the Board may decide.

SECTION 3. Special meetings of the Board may be held at any time and place upon the call of the Chairperson of the Board or upon the request of three (3) or more of its members.

SECTION 4. Notice of all meetings of the Board shall be given to all members of the Board by mail, telephone, or other electronic means at least six (6) days in advance thereof. The Board shall give written public notice of all its meetings as required by [Chapter 92, H.R.S.](#) If an executive meeting of the Board is anticipated and known in advance, the Board shall give written public notice of the executive meeting and of the reason for the closed meeting. The written public notices shall be filed with the Office of the Lieutenant Governor at least six (6) days prior to the date of the meeting, and

shall include an agenda which lists all of the items to be considered at the forthcoming meeting, and the date, time, and place of the meeting.

SECTION 5. The agenda of the Board meeting, once filed, shall not be changed without a two-thirds recorded vote of all members to which the Board is entitled. No item of reasonably major importance, action on which by the Board will affect a significant number of persons, shall be added to the agenda after the agenda is filed with the Office of the Lieutenant Governor. If the Board is unable to complete the agenda of a scheduled meeting, consideration of agenda items of reasonably major importance not completed at the meeting shall be considered only at a meeting continued to a reasonable day and time.

SECTION 6. All meetings of the Board shall be open to the public except for executive meetings permitted pursuant to Chapter 92, H.R.S. Executive meetings closed to the public shall be held upon an affirmative vote, taken at an open meeting, of two-thirds of the members present, provided that the affirmative vote constitutes a majority of the members to which the Board is entitled.

SECTION 7. Any person may submit written and/or oral testimony to the Board on any agenda item, provided that the presentation of oral testimony shall be subject to the reasonable administration thereof by the Board.

SECTION 8. A majority of the members to which the Board is entitled shall constitute a quorum for the transaction of business.

SECTION 9. The concurrence of a majority of all the members to which the Board is entitled shall be necessary to make any action of the Board valid.

SECTION 10. The Board may hold an in-person meeting at multiple meeting sites connected by interactive conference technology pursuant to [§92-3.5, H.R.S.](#); or a remote meeting by interactive conference technology pursuant to [§92-3.7, H.R.S.](#)

ARTICLE 4 Board of Directors - Powers

SECTION 1. The Board shall have charge of the business and other affairs of the Corporation and shall have authority to make, prescribe and enforce all policies, rules, and regulations for the conduct of the business of the Corporation and the management and control of its property.

SECTION 2. The Board may appoint an executive officer or director, with such title as the Board may deem appropriate, and such other employees as may be necessary in administering the affairs of the Corporation. The Board shall set the employees' duties, responsibilities, salaries, holidays, vacations, leaves, hours of work and working conditions. It may grant such other benefits to employees as it deems necessary.

SECTION 3. Any patents, copyrights, inventions, discoveries or other rights arising from Corporation activities shall belong to the Corporation, subject to such policies, rules or regulations as the Board may adopt.

SECTION 4. The Board shall accept all gifts to the Corporation as required by [§304A-3003, H.R.S.](#)

SECTION 5. Those Directors who are also members of the University's Board of Regents have dual fiduciary duties and dual loyalties to both the Corporation and the University. Those members may participate in the deliberation and vote on Corporation matters directly affecting the University with the understanding that, when acting as a Director, the primary fiduciary duty and loyalty is owed to the Corporation's best interest.

In the event the Chairperson of the Board is a member of the University's Board of Regents and there is a conflict in the interests of the Corporation and of the University with respect to a matter directly and specifically affecting the University, the Chairperson shall yield the chair to the Vice Chairperson

or, should a further conflict arise, to any other Director who does not have such a conflict, and may vote on the matter.

SECTION 6. The Board shall approve any contract, lease, cooperative agreement or other transaction which exceeds or may exceed \$1.0 million in value (in the aggregate) for the benefit of the Corporation and which is not authorized in any agreement previously approved by the Board. Board approval for extramural awards that exceed \$1.0 million in value are NOT necessary as these agreements have been approved and are governed by the UH and RCUH Internal Agreement.

Should it be determined, in consultation with the Board, that a contract or settlement is anticipated to have a significant impact on policies, programs, or operations; or result in potential institutional liability, the prior approval of the Board shall be required regardless of amount and source of funding.

SECTION 7. Committees of the Board.

To facilitate consideration of policies and other significant matters that require the approval of the Board, standing committees may be established as necessary. Authority to act on all matters is reserved to the Board, and the functions of any committee shall be to consider and make recommendations to the Board. The Board, on occasion, may find it necessary to delegate decision-making authority to a committee. When such delegation occurs, the Board will ratify a committee's action.

- a. A Personnel Committee may be established for the purpose of:
 1. Reviewing and making recommendations on personnel matters requiring Board approval.
 2. Developing the appropriate mechanisms for the evaluation of the Executive Director and any other position that reports to the Board.
 3. Evaluating the performance of the Executive Director and any other position that reports to the Board and providing a recommendation to the full Board.
 4. Reviewing and making recommendations regarding any other matter referred by the Chairperson of the Board.
- b. An Audit Committee may be established for the purpose of:
 1. Ensuring that RCUH's financial, internal controls, and audit processes are in accordance with generally-accepted auditing standards in the U.S. and are in compliance with policies, statutes, and regulations.
 2. Recommending the engagement of an external auditor(s).
 3. Reviewing all external audit findings and reports and ensuring that appropriate action is taken.
 4. Reviewing and making recommendations on any other matter referred by the Chairperson of the Board.
- c. Other committees may be established as may be necessary.
- d. The Chairperson and members of each standing committee shall be appointed by the Chairperson of the Board and shall serve for one year or until the appointment of their successors. The Chairperson of the Board may be an ex-officio, voting member of all standing committees. The Chairperson may also appoint ad hoc members to a committee.

- e. Select or Ad Hoc Committees may be established by the Chairperson of the Board upon authorization by the Board with such powers and duties as determined by the Board. The tenure of a Select or Ad Hoc Committee shall expire upon completion of its assigned task.

ARTICLE 5 Officers

SECTION 1. The officers of the Corporation shall consist of a Chairperson of the Board, a Vice Chairperson of the Board, the Executive Director, and such other officers as determined by the Board.

SECTION 2. All officers of the Corporation, except the Executive Director, shall be elected at the annual meeting of the Board, and shall serve for a term of one year, beginning upon election at the annual meeting and until their successors are elected and qualified.

SECTION 3. The Chairperson of the Board, in addition to presiding at all regular and special Board meetings, shall:

- a. Be responsible to enforce and execute all policies, rules, regulations, actions, and documents of every kind and description necessary to conduct the business of the Corporation. This authority is delegated to the Executive Director, except as may be reserved in these Bylaws or by policies approved by the Board.
- b. Appoint the chairpersons and members of the committees of the Board.
- c. Acknowledge communications, petitions, requests, and proposals on behalf of the Board and refer same to the Executive Director or appropriate committee of the Board for action or recommendation.
- d. Maintain liaison with the Executive Director to see that there is an effective working relationship between the Corporation staff and the Board.
- e. Approve all press releases and public statements made by the Board.
- f. Approve agenda items for any regular or special meeting of the Board.
- g. Coordinate the efforts of the Board's committees to strengthen the roles and functions of same.

SECTION 4. The Vice Chairperson will assume the duties and responsibilities of the Chairperson in the absence of the Chairperson and will undertake such other duties as may be assigned by the Chairperson.

SECTION 5. An Executive Director shall be appointed by the Board, shall serve at the pleasure of the Board, and shall have such duties as established in these Bylaws and as may be modified from time to time by the Board. In the absence of the Executive Director, the Board may appoint an interim director who shall assume the responsibilities of the position.

The Executive Director shall have direct administrative supervision over and immediate executive authority with respect to the conduct of the business and affairs of the Corporation, except that no gift to the Corporation shall be accepted unless approved or confirmed by the Board. In carrying out these responsibilities, the Executive Director shall:

- a. Coordinate and maintain proper relationships with the University, the State of Hawai'i, federal agencies, industry, private donors, and other academic and research institutions.
- b. In accordance with policies established by the Board, executes the basic policies that determine and control the overall objectives, programs, and operations of the Corporation.

- c. Except as limited by these Bylaws, approve contracts with sponsors, both public and private, agreements with agencies, amendments to contracts and agreements, submission of proposals, final overhead negotiations, insurance agreements, rental agreements, lease agreements, patent agreements.
- d. Approve transactions involving personnel, including but not limited to, the authority within statutory guidelines and Corporation policies to hire, compensate, and terminate the services of employees and delegate same to qualified staff members.
- e. Approve transactions involving purchasing, property management, budgeting, accounting, travel, insurance claims, the issuance of manuals of administrative procedure, and except for transactions exceeding \$100,000 in value or involving an interest in land, delegate same to qualified staff members.
- f. Prepare and submit the annual Corporation budget to the Board for the Board's consideration.
- g. Enforce and execute all policies, rules, regulations, actions, and documents of every kind and description necessary to conduct the business of the Corporation, except as may be reserved in these Bylaws or by policies approved by the Board.
- h. Maintain the corporate records of the Corporation, issue notices of meetings to the Board, execute and sign such instruments as require the signature of attestation, and prepare and preserve a record of all meetings of the Board. The Executive Director shall keep the seal of the Corporation, shall affix the same to any instrument requiring it, shall attest the seal or other official act by signature and shall perform such other duties as may be prescribed from time to time by resolution of the Board. In the absence of the Executive Director, or in the event that the Executive Director is not readily and conveniently available, the Board-appointed interim Director shall perform the duties set forth in this Section 5 of Article 5. The Executive Director shall have the authority to delegate these "corporate secretary" functions to an appropriate designee.
- i. The Executive Director shall have custody of the Corporation's funds and property and keep regular books of account of the Corporation's funds and property. The Executive Director shall see that all money and valuables of the Corporation are deposited in such banks and depositories as the Board shall from time to time designate. The Executive Director shall have power to endorse for deposit to the credit of the Corporation all notes, checks, drafts, bonds, and other instruments received by the Corporation. The Executive Director shall approve all disbursements drawn on the Corporation's special account ([§304A-3010, H.R.S.](#)) and shall sign approval of all checks drawn on the special account.
- j. The Executive Director shall also perform such other duties as may be delegated from time to time by the Board. In the absence of the Executive Director, or in the event that the Executive Director is not readily and conveniently available, the Board-appointed interim Director shall perform the duties set forth in this Section 5 of Article 5.

SECTION 6. In case of an extended absence or disability of the Executive Director, or for any other reason the Board may deem sufficient, the Board may delegate for the time being, in whole or in part, the powers and duties of such officer or officers, to any other person or persons qualified to perform the same.

ARTICLE 6 Annual Report

SECTION 1. The Board shall submit an annual report of the Corporation to the Governor, President of the State Senate, and Speaker of the State House of Representatives. The report shall include, but not be limited to, the Corporation's audited financial statement, total amount of payroll and other disbursements made, and progress and accomplishments made during the year.

ARTICLE 7 Special Account

SECTION 1. The Board shall set up a special account for depositing moneys received from either public or private contracts, or from private or public grants, awards, or gifts. As provided for in [§304A-3010, H.R.S.](#) this special account may be used to receive, disburse, and account for funds of research and training projects of the University of Hawai'i, other state agencies, and political subdivisions of the State. All disbursements shall be drawn on such special account upon checks prepared and signed as approved by the Executive Director and some other person authorized by the Board of Directors.

ARTICLE 8 Audits

SECTION 1. The Board shall select a Certified Public Accountant to examine the financial affairs of the Corporation annually, and to report on its status not later than six months after the end of the fiscal year. The audit shall include a comparison of the assets and liabilities with the accounts and records of the Corporation; a determination of whether the accounts are correctly kept; and a recommendation to the Board concerning such changes in the manner of conducting the financial affairs of the Corporation as deemed desirable.

ARTICLE 9 Legal Counsel

SECTION 1. The Attorney General of the State of Hawaii shall be designated as Legal Counsel for the Board and the Corporation.

SECTION 2. Requests for any written legal opinion or advice of the Department of the Attorney General by the Board or any of its members shall be transmitted through the Chairperson of the Board or the Executive Director. Whenever a written legal opinion or advice letter is rendered by the Department of the Attorney General, such opinion, along with a copy of the written request for such opinion, shall be immediately distributed to all Board members.

ARTICLE 10 Conflicts of Interest

SECTION 1. Standards of Conduct. Members of the Board and all officers of the Corporation shall comply with the provisions of these Bylaws and are subject to the standards of conduct and financial interests disclosure requirements of [Chapter 84, H.R.S.](#) (State Ethics Code) and must act in accordance with the Hawai'i State Ethics Code.

All Directors must complete [mandatory State Ethics Training](#) from the Hawai'i State Ethics Commission within 90 days of taking office and once every four (4) years thereafter.

SECTION 2. Fiduciary Responsibility. Members of the Board and the officers of the Corporation serve a public-interest role and thus have a clear obligation to conduct all affairs of the Corporation in a manner consistent with this concept. Members of the Board and the officers of the Corporation are expected to place the welfare of the Corporation above personal interests or the interests of other organizations (including the University), family members, or others who may be personally involved in affairs affecting the Corporation. All decisions of the Board and the officers are to be made solely on the basis of a desire to promote the best interests of the Corporation and the public good. All members of the Board and the officers of the Corporation shall abide by the Statement on Conflicts of Interest, which is attached and is made a part of these Bylaws.

ARTICLE 11 Amendments

SECTION 1. These Bylaws may be amended, revised or repealed, and a new set of Bylaws may be adopted, at any annual, regularly scheduled, or special meeting of the Board of Directors by the

affirmative vote of a majority of the members to which the Board is entitled, provided that notice of such amendment, revision or repeal shall have been given in the notice of the meeting.

SECTION 2. Proposals to alter the Bylaws may be made by any Director. Any such proposal must be submitted to the Chairperson of the Board in sufficient time to be included in the notice of the meeting at which it is to be considered.

Attachment to Bylaws

Statement on Conflicts of Interest

1. Disclosures

- a. By Members of the Board. In the event the Board must consider any matter for the Corporation which also directly involves:

- (1) A Board member or a member of the Board member's family (which shall be a spouse, parents, siblings and their spouses, children and their spouses, and any household member); or
- (2) A public or private organization with which a Board member is affiliated; or
- (3) A Board member's personal financial interest as defined under Chapter 84, H.R.S.;

any affected Board member, at the first knowledge of the matter, shall disclose fully the precise nature of the interest or involvement.

In the case of the Board members who are also members of the Board of Regents of the University of Hawaii, in matters relating to the University of Hawaii, the provision of Article 4, Section 5, of the Bylaws shall be followed.

For the purposes of this Statement and Article 10 of the Corporation's Bylaws (hereinafter "Bylaws"), affiliation exists if a Board member or a member of the Board member's family is an owner (which shall be ownership interest valued at more than \$5,000 or 10% of the ownership of the business), officer, director, trustee, partner, employee (which shall also include legal counsel, consultant, contractor, advisor, or representative) or agent of such organization. For matters relating to the University of Hawaii, the provision of Article 4, Section 5, of the Bylaws shall be followed.

- b. By Officers of the Corporation. In the event an officer of the Corporation must consider any matter for the Corporation which also directly involves:

- (1) The officer or a member of the officer's family (which shall be a spouse, parents, siblings and their spouses, children and their spouses, and any household member); or
- (2) A public or private organization with which an officer is affiliated; or
- (3) An officer's personal financial interest as defined under Chapter 84, H.R.S.;

any affected officer, at the first knowledge of the matter, shall disclose fully the precise nature of the interest or involvement.

For the purpose of this Statement and Article 10 of the Bylaws, affiliation exists if an officer or a member of the officer's family is an owner (which shall be ownership interest valued at more than \$5,000 or 10% of the ownership of the business), officer, director, trustee, partner, employee (which shall also include legal counsel, consultant, contractor, advisor, or representative) or agent of such organization.

- c. This disclosure requirement shall not apply to any Board member or officer who declares a conflict of interest and recuses himself/herself from consideration of the matter before the Board of the Corporation.
- d. All disclosures required under this Statement must be directed in writing to the Board Chairperson who, together with the Corporation's Legal Counsel, shall be responsible for the administration of this Statement.

Matters covered under this Statement and the Bylaws shall be reported initially to the Chairperson of the Board for appropriate action. Should the Chairperson be the Board member with a potential conflict, the matter shall be reported to the Vice Chairperson. Should both the Chairperson and the Vice Chairperson have a potential conflict, the matter shall be reported to the chairperson of a Board standing committee in the order as listed in Article 4, Section 6, of the Bylaws.

Information disclosed under this statement to the Board and its Chairperson, Vice Chairperson, and committee chairpersons shall be held in confidence to the extent authorized by law.

2. Determination of Conflicts. Questions concerning possible conflicts of interest shall be directed to the Chairperson of the Board. The Board shall resolve the questions by majority vote at a Board meeting in compliance with [Chapter 92, H.R.S.](#) Where any matter covered by [Chapter 84, H.R.S.](#), is involved, the potential conflict shall be referred to the State Ethics Commission for disposition. Questions of potential conflict not covered by [Chapter 84, H.R.S.](#), may be referred to the Corporation's Legal Counsel for a legal opinion.
3. Restraint on Participation or Consideration
 - a. Members of the Board. Members of the Board who have declared a conflict of interest and recused themselves or who have been found to have conflicts of interest in any matter before the Board shall refrain from participating in the consideration of the proposed matter. Those Board members may not vote on such matters before the Board and may not be present during the Board's deliberation and at the time of vote.
 - b. Officers. Officers of the Corporation who have declared a conflict of interest and recused themselves or who have been found to have conflicts of interest in any matter before the Corporation shall refrain from participating in any consideration of the proposed matter. Those officers may not comment, report on, consider and/or act upon such matters before the Corporation.
4. Sanctions and Remedies

Any Board action favorable to a member obtained in violation of this Statement and of the Bylaws and any action of the Corporation favorable to an officer obtained in violation of this Statement and of the Bylaws are voidable by the Board on behalf of the Corporation; provided that in any proceeding to void an action of the Board or of the Corporation pursuant to this Statement and of the Bylaws, the interests of third parties who may be damaged thereby shall be taken into account. Any proceeding to void an action of the Board or of the Corporation shall be initiated within sixty (60) days after the determination of a violation under this Statement.

The Board may pursue all legal and equitable remedies and/or sanctions through the Corporation's Legal Counsel. Any Board action imposing a remedy or sanction under this section must be initiated within one year after the action of the Board or of the Corporation that is affected by a violation.