

BY-LAWS OF PUMP SYSTEMS MATTER, INC.

Adopted October 7, 2010 and

Re-titled July 18, 2011

ARTICLE I NAME, SEAL AND OFFICES

Section 1.1. Purpose

The Corporation is organized as a nonprofit corporation under the New Jersey Nonprofit Corporation Act to operate exclusively for charitable, educational, scientific and other purposes as more fully set forth in its Certificate of Incorporation.

Section 1.2. Offices

The principal office of the Corporation shall be in the United States at such place within Parsippany, New Jersey or elsewhere as the Board of Directors (the "Board") may from time to time designate. The Corporation may also have other offices at such places, either within or without the State of New Jersey, as the Board may from time to time authorize. The Corporation shall continuously maintain a registered office and a registered agent at such office in the State of New Jersey.

ARTICLE II MEMBERS

Section 2.1. Membership

Those eligible to become members (hereinafter referred to as "Sponsors") shall be pump manufacturers and other companies eligible to join the Hydraulic Institute ("HI"), energy efficiency organizations, utility companies, non-government organizations, pump systems users, engineering consulting firms and organizations, academic institutions, research institutions, individuals and other public and private agencies desiring to advance the objectives of the Corporation by promoting the efficient and effective use of pump systems. Any Sponsor that is eligible for regular membership in HI must be a regular member of HI and remain so in good standing in order remain an organization eligible to belong to the Corporation.

Section 2.2. Admission to Membership

The Board shall have the power to establish specific criteria for admission to membership. Membership shall be by application directed to the Corporation and admission to membership upon satisfaction of specific criteria for admission, shall be communicated to the applicant by such Officer as the Board shall determine. Sponsors shall pay annual dues or sponsorship fees as determined by the Board. Membership shall be open to any eligible organization or individual at an entry sponsorship cost and annual sponsorship dues as determined by the Board. Dues may be paid, in whole or in part, through in-kind services at the

discretion of the Board.

Section 2.3. Rescission of Membership

The Board by a two-thirds vote may rescind any membership for acts or omissions deemed by the Board not to be in the best interest of the Corporation.

Section 2.4. Contributions and Support from Sponsors

Contributions and support from Sponsors to the Corporation may be accepted by the Board.

Section 2.5. Voting

Sponsors of the Corporation shall have no voting rights.

**ARTICLE III
DIRECTORS**

Section 3.1. Authority of the Directors

In its managing of the affairs of the Corporation, the Board shall possess and may exercise all the powers and authority granted to the Corporation by law and by the Certificate of Incorporation, subject, however, to the limitations set forth in the Certificate of Incorporation.

Section 3.2. Number of Directors. Qualifications

(a) The number of directors may vary according to the number of dues paying Sponsors. Notwithstanding the foregoing, the minimum number of directors shall be five (5) and shall consist of the Officers, or their designated executive level representative(s), and Executive Director of the Hydraulic Institute, Inc. (HI). Advisory directors may be added in an advisory position, without voting rights and at the discretion of the Board.

(b) The initial directors shall be five (5) persons named in the Certificate of Incorporation serving the terms expiring at the close of the first annual meeting of the Board.

(c) Beginning as of the date of the first meeting of the initial directors, the number of directors constituting the Board shall be the number of directors in office as fixed by the Board, so long as the total number of directors shall be such that directors representing HI and its members shall constitute a majority. The maximum number of directors may be increased or decreased by amendment of the By-Laws provided that (a) the number shall never be less than five (5) and (b) an amendment reducing the number shall not have the effect of shortening of the term of any Director in office at the time such amendment becomes effective. The Board shall establish policies regarding terms of service for members of the Board. Directors need not be residents of the State of New Jersey.

The factors to be considered in selecting directors shall include (i) a stated commitment to attend meetings of the Board and to contribute to the work of the Corporation throughout the year, (ii) knowledge and pro-active support of the Corporation's vision, mission and long-term goals and willingness to advance such corporate objectives in the marketplace and public policy, (iii) a willingness to serve as a fiduciary of the Corporation, (iv) a willingness to contribute funds, solicit others to contribute and/or plan fundraising, special events and associates' membership program and (v) diversity with respect to race, gender and nationality.

(d) Prior to election, each prospective Director shall be informed of the specific responsibilities listed below (which list is non-exhaustive), as well as any other basic responsibilities of all Board members, including organizational documents and policies and procedures, as determined by the Board:

- (i) determine the Corporation's mission, purposes, strategic direction and planning, and goals;
- (ii) provide oversight and monitoring of the Corporation's progress toward achieving its mission and goals;
- (iii) select the Corporation's Managing Director and support and review the performance of the Corporation's Managing Director;
- (iv) oversee the finances and administration of the Corporation;
- (v) assist the Corporation in meeting its financial goals by contributing funds and/or soliciting contributions by others;
- (vi) attend at least one of the Corporation's board meetings each year and attempt to attend all such meetings annually; and
- (vii) assume responsibility for at least one Corporation activity throughout the year (such as chairing or serving on a Board committee, advising and/or participating in an initiative or project, or speaking at an Corporation-organized event).

The foregoing list of responsibilities shall be presented to each Director on an annual basis.

Section 3.3. Continuation in Office

After the expiration of the term for which he or she was elected, a director who is not reelected or whose successor has not been elected shall, unless he or she resigns sooner or is removed, continue to hold office until his or her successor is elected.

Section 3.4. Vacancies

A vacancy existing by reason of the resignation, death, incapacity, termination by reason

of retirement, severance of full-time employment with the sponsor organization or removal of a director before the expiration of his or her term shall be filled by majority vote of the remaining directors. A director so elected shall serve for the remainder of his or her predecessor's term. A vacancy created by an increase in the number of directors pursuant to Section 3.2 shall be filled by majority vote of the directors in office.

Section 3.5. Notice and Acceptance of Appointment of Election

Notice of the appointment, election or reelection of a person as director shall be promptly given to such person by the Chairperson of the Board. Such persons shall be deemed to have accepted election or reelection unless he or she shall otherwise specify within ten (10) days of receipt of said notice, in writing, to the Chairperson.

Section 3.6. Resignation

A director may resign at any time by giving written notice of resignation to the Chairperson of the Board. A resignation shall take effect at the time received unless another time is specified in such notice. Unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.7. Removal

(a) The Board, by two-thirds (2/3) majority vote, may remove a director from office.

Section 3.8. Committees of the Board

(a) The Board may, by resolution adopted by a majority of the directors in office, establish committees of the Board composed of at least two (2) members of the Board. The Board may make such provisions for appointment of the Chairperson of such committees, establish such procedures to govern their activities, and delegate thereto such authority as may be necessary or desirable for the efficient management of the property, affairs, business and activities of the Corporation; provided that the Board shall not delegate to any committee authority to (1) adopt a plan of merger or consolidation, (2) authorize the voluntary dissolution of the Corporation, (3) elect, appoint, or remove any director, or (4) adopt any amendment of the Certificate of Incorporation or the By-Laws. Unless otherwise specified in the resolution establishing a committee, the authority of additional committees of the Board shall continue until terminated by the Board, and a vacancy in a committee shall occur when a member thereof ceases to be a director.

(b) Other committees not having and exercising the authority of the Board ("Advisory Committees") may be constituted and members thereof appointed by a resolution adopted by a majority of the directors present at a meeting of the Board at which a quorum is present. Directors, designated representatives of directors, Sponsors of the Corporation and any significant contributors to the Corporation (persons designated by the Board based on their

significant financial contributions to the Corporation) may serve as members of advisory committees.

ARTICLE IV MEETINGS OF DIRECTORS

Section 4.1. Place of Meetings

Meetings of the Board may be held at such places, within or without the State of New Jersey, as the Board may from time to time determine or, in the absence of such determination, as the person or persons calling a meeting may specify.

Section 4.2. Annual Meeting. Strategy Meetings

There shall be an annual meeting of the Board to fill any vacancy on the Board and to make arrangements for management of the affairs of the Corporation for the following year, including the choosing of the Chairperson of the Board and appointment of Officers as set forth in Article V hereof, and to conduct such other business as may be appropriate. The annual meeting shall be held on such date and at such time as may be determined by the Chairperson of the Board, or if the Chairperson does not act, by three (3) or more of the directors.

Section 4.3. Regular Meetings

The Board may, by resolution, establish a schedule of regular meetings of the Board.

Section 4.4. Special Meetings

Special meetings of the Board shall be held whenever called by the Chairperson or by three (3) or more the directors.

Section 4.5. Notice, Waiver of Notice

Notice of each meeting of the Board, specifying the date, time and place thereof, shall be given on or before the fifth (5th) day before the meeting, by letter, facsimile, electronic mail or overnight courier directed to each Director at his or her address last appearing on the records of the Corporation. Any Director may waive the requirement that he or she receive notice by letter, facsimile, electronic mail or overnight courier of any meeting of the Board, either before or after the holding of such meeting, and shall be deemed to have waived such requirement by his or her attendance at a meeting unless he or she signifies at such meeting that his or her attendance is for the purpose of objecting thereto on the grounds that the meeting was not lawfully called or convened.

Section 4.6. Quorum; Adjournment

To constitute a quorum for the transaction of business at any meeting of the Board, the presence shall be required of one-third of the number of directors as fixed pursuant to Section

3.2 hereof; provided that there must be present at least two directors who are also officers of the Hydraulic Institute, Inc. Attendance at meetings via telephonic means per Article IV, Section 4.10, shall constitute presence in person at the meeting. In the absence of a quorum, any meeting may be adjourned from time to time by the vote of a majority of the directors present thereat, but no other business may be transacted. No notice need be given of the adjourned meeting otherwise than by announcement at the meeting at which such adjournment is taken. At any such adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted at the meeting as originally noticed.

Section 4.7. Majority Vote; Voting

Except as otherwise specifically provided by statute, the Certificate of Incorporation, or these By-Laws, the acts of a majority of the directors present at a meeting of the Board of directors at which a quorum is present shall be the act of the Board; provided that:

(a) a Director whose term expires at the close of an annual meeting shall, unless he or she sooner resigns or is removed, be considered for quorum purposes as holding office and be eligible to vote on all matters including the election of directors until the close of such meeting or until the close of the meeting at which, or the completion of the action in writing pursuant to Section 4.8 by which, such Director is reelected or his or her successor is elected;

(b) unless otherwise required by law, no vote at a meeting need be by written ballot; and

(c) a Director may vote by written proxy delivered to the Secretary of the Board prior to the vote so that the Secretary may cast the ballot.

Section 4.8. Action Without a Meeting

Any action required or permitted to be taken at a meeting of the Board (including amendment of these By-Laws) or of any committee may be taken without a meeting if, as provided in Section 15A:6-7.c of the New Jersey Nonprofit Corporation Act, or any superseding provision, consents in writing setting forth the action so taken are signed by all of the members of the Board or of such committee, as the case may be. Such consents shall have the same force and effect as a unanimous vote of the Board or of the committee, as the case may be. Such consents (which may be in one document or several documents) shall be filed in the office of the Secretary. A certificate of the Chairperson (or, in the case of a committee, the chairperson thereof) or the Secretary as to the receipt of such consents, the action thereby taken, and the effective date of such action shall be filed with the minutes of the proceedings of the Board or of the committee. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified.

Section 4.9. Committee Meetings

Meetings of any committee of the Board shall, to the extent not otherwise specified in resolutions of the Board, be conducted as if the foregoing provision of this Article were applicable, except that at least one-third ($\frac{1}{3}$) of the directors who are members of a committee shall constitute a quorum for the transaction of business at any meetings of such committee. No quorum shall be fewer than two people.

Section 4.10. Attendance at Meetings by Telephone

Any or all directors may participate in a meeting of the Board or a committee of the Board by means of conference telephone or by any means of communication by which all persons participating in the meeting are able to hear one another, and such participation shall constitute presence in person at the meeting.

Section 4.11. Emergency Provision

Anything in these By-Laws to the contrary notwithstanding, in the event of a national catastrophe and during an emergency period following such a catastrophe, a majority of the surviving members of the Board who have not been rendered incapable of acting or attending shall constitute a quorum.

**ARTICLE V
OFFICERS**

Section 5.1. Officers

The Officers of the Corporation (each an “officer” and, collectively, the “Officers”) shall be a Chairperson, a Vice Chairperson, a Managing Director, a Secretary, a Treasurer, and such other Officers as the Board may designate. Any two or more officer positions may be held by the same person, except the offices of Chairperson and Secretary.

Section 5.2. Appointment of Officers; Terms of Office

Officers other than the Managing Director shall be appointed by the directors at their first meeting to serve until the first annual meeting of the Board. The Managing Director shall be hired by the Executive Director of HI with the consent of the Board. The Secretary and the Treasurer shall be appointed by the Board at an annual meeting every three (3) years. A vacancy in any officer position other than the Managing Director between annual meetings shall be filled by the Board or by a Committee of the Board authorized to do so for a term expiring at the next succeeding annual meeting. Each Officer other than the Managing Director shall hold office until the expiration of his or her term and until his or her successor shall have been duly appointed or until he or she shall resign or be removed, and shall be eligible for reappointment.

Section 5.3. Resignation

An Officer may resign at any time by giving written notice of his or her resignation to the Chairperson of the Board. Any such resignation shall take effect at the time received unless another time is specified in such notice. Unless otherwise specified in such notice, the acceptance thereof shall not be necessary to make it effective.

Section 5.4. Removal

An Officer may be removed by the Board at a meeting, or by action in writing pursuant to Section 4.8, whenever in the Board's judgment the best interests of the Corporation will be served thereby. Any such removal shall be without prejudice to the contract rights, if any, of the person so removed.

**ARTICLE VI
DUTIES OF OFFICERS**

Section 6.1. Chairperson

The Chairperson shall be the principal governing officer of the corporation and, subject to the control of the Directors, shall in general supervise and control all of the business and affairs of the corporation. Working with the other officers, he or she shall set agendas for Board meetings to accomplish the vision, mission and strategic priorities of the Corporation. He or she shall, when present, preside at all meetings of the Directors. He or she shall, may sign, with the Secretary or any other proper officer of the corporation thereunto authorized by the Directors, any deeds, mortgages, bonds, contracts or other instruments which the Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of Chairperson and such other duties as may be prescribed by the Directors from time to time. If the Chairperson is unable to participate or attend a meeting, he or she shall appoint a Director to fulfill the duties of the Chairperson. If the Chairperson is unable to designate, the Executive Committee shall appoint an acting Chairperson.

Section 6.2. Managing Director

The Managing Director shall be the chief staff officer of the Corporation, subject to the direction and control of the Board, to whom he or she is responsible for the affairs of the Corporation and for the performance of its employees. He or she shall report to the Board through the Executive Director of HI. The Managing Director may sign and execute, in the name of the Corporation, contracts, and other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these By-Laws to some other Officer or agent of the Corporation. In general, the Managing Director shall perform all duties incident to the office of chief staff officer of the Corporation, and such other duties as from time to time may be assigned to him or her by the Executive

Director of HI or the Board.

Section 6.3. Secretary

The Secretary or duly authorized person shall perform, or cause to be performed, the following duties:

(a) certify and keep at the principal office of the Corporation the original or a copy of its By-Laws as amended to date;

(b) keep at the principal office of the corporation, or at such other place as the Board may order, a book of minutes of all proceedings of the Board, whether annual, regular, or special;

(c) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law;

(d) be custodian of the records and of the seal of the Corporation and see that it is engraved, lithographed, printed, stamped, impressed upon or affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized;

(e) see that the books, reports, statements, and all other documents and records required by law are properly kept and filed;

(f) exhibit at all reasonable times to any Director, upon request, the By-Laws and minutes of proceedings of the Board; and

(g) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him or her by the Board, the Chairperson of the Board, or the Executive Director of HI.

Section 6.4. Treasurer

The Treasurer or duly authorized person shall perform, or cause to be performed, the following duties:

(a) have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation, in such banks, trust companies, or other depositories as shall be selected by the Board;

(b) keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including account of its assets, liabilities, receipts, disbursements, gains, losses, capital, and surplus;

(c) exhibit the books of account and records to any director, upon request, during business hours at the office of the Corporation where such books and records are kept;

(d) render, upon request, a statement of the condition of the finances of the Corporation at all meetings of the Board, and render a full financial report at the annual meetings of the Board;

(e) receive, and give receipt for, monies due and payable to the Corporation from any source whatsoever; and

(f) in general, perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Board or the Executive Director of HI.

ARTICLE VII ADMINISTRATION

Section 7.1. Fiscal Year

The fiscal year of the Corporation shall begin on January 1st, but may be changed by resolution of the Board.

Section 7.2. Checks, Drafts, Etc.

All checks, orders for the payment of money, bills of lading, warehouse receipts, obligations, bills of exchange, and insurance certificates may be signed or endorsed by any Officer or any person designated by the Chairperson, Vice Chairperson or Executive Director of HI.

Section 7.3. Deposits and Accounts

All funds of the Corporation, not otherwise employed, shall be deposited from time to time in general or special accounts in such banks, trust companies, or other depositories as the Board or any committee to which such authority has been delegated by the Board may select, or as may be selected by any Officer or Officers or agent or agents of the Corporation to whom such power may from time to time be delegated by the Board. For the purpose of deposit and for the purpose of collection for the account of the Corporation, checks, drafts, and other orders for the payment of money that are payable to the order of the Corporation maybe endorsed, assigned, and delivered on behalf of the Corporation by an Officer or any person designated by the Chairperson or Executive Director of HI.

Section 7.4. Bonds

The Corporation shall secure bonds for the faithful discharge of the duties of any director, Officer, agent or employee of the Corporation who has custody of or discretion over any funds of the Corporation.

Section 7.5. Corporate Records

The Corporation shall keep at its principal place of business (a) the original or duplicate records of the proceedings of the Board, (b) the original or a copy of the By-Laws, including all amendments thereof to date, certified by the Secretary, (c) appropriate, correct, and complete books and records of account, and (d) tax and other legal documents as required for the operation of the Corporation.

Section 7.6. Insurance

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, Officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, employee or agent of another corporation, association, trust, partnership, joint venture, or other entity, 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 such person against such liability under the law of the state of New Jersey.

**ARTICLE VIII
DISTRIBUTION ON DISSOLUTION**

Upon the dissolution or other termination of the Corporation, no part of the Corporation or any of the proceeds shall be distributed to, or inure to the benefit of, any officer or director of the Corporation. All such property and proceeds, subject to the discharge of valid obligations of the Corporation and to the applicable provisions of the New Jersey Nonprofit Corporation Law, shall be distributed as directed by the Board of Directors among one or more corporations, trusts, community chests, funds or foundations organized and operated exclusively for charitable, scientific, literary, or educational purposes of the type which qualify for federal income tax exemption under Section 501(c)(3) of the Internal Revenue Code of 1954, no part of the net earnings of which inure to the benefit of any private shareholder, Member or individual, and no substantial part of whose activities consist of carrying on propaganda, or otherwise attempting to influence legislation, and which does not participate or intervene in any political campaign on behalf of any candidate or public office.

**ARTICLE IX
AMENDMENT OF BY-LAWS**

These By-Laws may be amended by the Board (a) by the vote of three fifths (3/5th) of the directors in office at a meeting of the Board; (b) by unanimous consent in writing without a meeting pursuant to section 4.8.