

Securities and Exchange Commission

Advisory Committee on Small and Emerging Companies

Bylaws and Operating Procedures

(As adopted on February 25, 2016)

The following Bylaws and Operating Procedures (“Bylaws”) will govern the operations of the Securities and Exchange Commission Advisory Committee on Small and Emerging Companies (the “Committee”).

Section I: Purpose and Authority

A. Purpose. The purpose of the Committee, as set forth in its Charter, is to provide advice to the U.S. Securities and Exchange Commission (the “Commission”) on the Commission’s rules, regulations, and policies, with regard to the Commission’s mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation, as they relate to the following:

- (1) capital raising by emerging privately held small businesses (“emerging companies”) and publicly traded companies with less than \$250 million in public market capitalization (“smaller public companies”) through securities offerings, including private and limited offerings and initial and other public offerings;
- (2) trading in the securities of emerging companies and smaller public companies; and
- (3) public reporting and corporate governance requirements of emerging companies and smaller public companies.

B. Authority: The Committee was formed by the Commission under the Federal Advisory Committee Act, 5 U.S.C. –App.1, as amended (“FACA”), by the filing of its Charter on October 4, 2011 with the Committee on Banking, Housing, and Urban Affairs of the United States Senate and the Committee on Financial Services of the United States House of Representatives, after consultation with the Federal Advisory Committee Secretariat of the General Services Administration. Notwithstanding anything to the contrary in these Bylaws, the Committee will operate in accordance with FACA and its implementing regulations, and with its Charter, as the same may be amended from time to time.

Section II: Membership

Members of the Committee are appointed by and serve at the pleasure of the Commission in accordance with the Committee’s Charter. Official observer members have all rights of voting members except the right to vote or to make a motion for a vote.

Section III: Committee Officials

- A. Co-Chairs.** The Committee will have Co-Chairs (or a single Chair) appointed by and serving at the pleasure of the Chairman of the Commission to perform the duties specified in these Bylaws. The Co-Chairs will work with the Sponsor of the Committee and the Designated Federal Officer (“DFO”) to identify the issues to be addressed by the Committee, establish the Committee’s priorities, and make recommendations to the Chairman on the level and types of staff and financial support required by the Committee.
- B. Sponsor of the Committee.** The Chairman of the Commission may designate a member of the Commission to serve as Sponsor of the Committee. The Sponsor of the Committee will serve at the pleasure of the Chairman and perform the duties specified by these Bylaws.
- C. Designated Federal Officer.** The Committee’s DFO will be designated by the Chairman of the Commission in accordance with the Committee’s Charter and will perform the duties specified in the Charter and these Bylaws. By law, the DFO must, among other things, approve or call all meetings of the Committee, approve agendas, attend all meetings, and adjourn meetings when such adjournment is in the public interest. In addition, the DFO will be responsible for: notifying members of the time and place for each meeting; maintaining records of all meetings; maintaining the roll; preparing any required minutes of meetings; maintaining official Committee records; and preparing and handling all reports, including the annual report as required by FACA. All actions performed or to be performed by the DFO under these Bylaws may be performed by any alternate DFO designated by the DFO in accordance with a designation and delegation of authority provided by the Chairman of the Commission.

Section IV: Meetings

- A. In General.** The Committee will meet at such intervals as are necessary to carry out its duties. Meetings may be called by the Co-Chairs of the Committee with the approval of the Sponsor of the Committee and the DFO. One of the Co-Chairs of the Committee will preside at all meetings of the Committee, unless the Chairman of the Commission directs the DFO to preside in accordance with FACA. A Co-Chair of the Committee or of the DFO, as the case may be, presiding at a meeting of the Committee (the “Presiding Officer”) may specify the use of rules of parliamentary procedure consistent with these Bylaws. Alternates will not be permitted to represent appointed members at meetings of the Committee without the prior agreement of the Presiding Officer, if a Co-Chair, and the DFO. Subject to such reasonable guidelines and procedures as the Presiding Officer or the Committee may adopt, members may participate in a meeting by means of conference telephone or similar communications equipment if all members can hear one another at the same time and members of the public entitled to hear them can do so.
- B. Notice.** The Committee will publish a notice of each meeting in the *Federal Register* in accordance with the requirements of FACA.

- C. Agenda:** The Co-Chairs of the Committee, in consultation with the Sponsor of the Committee, will agree on an agenda for each meeting of the Committee, and have the agenda approved by the DFO, sufficiently in advance of the meeting to permit a copy or summary of the agenda to be published with the notice of the meeting published in the *Federal Register*. Proposed items for the agenda may be submitted through Commission's website or other means provided by the DFO by any Committee member or member of the public.
- D. Open Meetings.** Unless otherwise determined in advance, all meetings of the Committee will be open to the public. Once an open meeting has begun, it may not be closed for any reason. If, during the course of an open meeting, matter inappropriate for public disclosure arises during discussion, the Presiding Officer will order such discussion to cease and will schedule it for closed session. All materials brought before, or presented to, the Committee during an open meeting will be available to the public for review or copying at the time scheduled for the meeting.
- E. Closed Meetings.** All or parts of meetings of the Committee may be closed in limited circumstances in accordance with applicable law. Requests for closed meetings must be submitted by the DFO to the Chairman of the Commission under FACA, generally at least 30 days in advance of the meeting.
- F. Hearings.** The Committee may hold hearings to receive testimony or oral comments, recommendations and expressions of concern from the public. The Committee may hold hearings at open meetings or in closed session in accordance with applicable law and the standards for closing meetings to the public in these Bylaws. The Co-Chairs or the Committee may specify reasonable guidelines and procedures for conducting orderly and efficient hearings, such as requirements for submitting requests to testify and written testimony in advance and placing limitations on the number of persons who may testify and the duration of their testimony.
- G. Voting.** A member must be participating in a meeting, in person or by telephone or similar communication, to cast a vote. When a decision or recommendation of the Committee is required, the Presiding Officer will request a motion for a vote. Any member with a right to vote may make a motion for a vote and vote. No second after a motion will be required to bring any issue or recommendation to a vote. Committee action based on a vote requires a simple majority of the votes cast at a meeting at which there is a quorum.
- H. Quorum.** A quorum will consist of a simple majority of the members of the Committee with a right to vote.

Section V: Subcommittees

The Co-Chairs of the Committee, with the approval of the DFO, may convene subcommittees to support the Committee's functions and, with the approval of the DFO, may appoint members and official observers to, and Chairs of, any subcommittees so convened. The Co-Chairs will be *ex*

officio members of all subcommittees. Only members of the Committee with a right to vote will have the right to vote and make a motion for a vote in a subcommittee. No subcommittee will have any authority to provide advice or recommendations (1) directly to the Commission or (2) to be adopted by the Committee without discussion or consideration at an open meeting of the Committee. All activities of the subcommittees will be in compliance with FACA.

Section VI: Expenses and Reimbursement

Expenses related to the operation of the Committee will be borne by the Commission. Expenditures of any kind must be approved in advance by the DFO.

Section VII: Amendments

These Bylaws may be amended from time to time by a vote of the members of the Committee.