

**BYLAWS
OF THE
THE SOCIETY OF CHARTERED PROPERTY AND CASUALTY UNDERWRITERS**

ARTICLE I

NAME AND PURPOSES

Section 1. Name. The name of this corporation shall be The Society of Chartered Property and Casualty Underwriters (hereinafter referred to as the “Society”), a Pennsylvania nonprofit corporation.

Section 2. Purpose. In addition to the purposes set forth in the Society’s Articles of Incorporation, as may be amended, the purposes of the Society are to meet the career needs of a diverse membership of insurance professionals so that they may serve others in a competent and ethical manner, and other appropriate professional and trade association purposes.

Section 3. Offices. The Society shall have and continuously maintain in the Commonwealth of Pennsylvania a registered office and a registered agent whose office is identical with that registered office and may have such other offices, within or without the Commonwealth of Pennsylvania, as the Board of Directors may determine.

Section 4. Restrictions on Operation.

- a. **Asset Distribution.** No part of the net earnings of the Society shall inure to the benefit of, or be distributable to, its directors, officers, or any other member or individual, except that the Society shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein.
- b. **Restrictions on Advocacy.** No substantial part of the activities of the Society shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Society shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or against any candidate for public office.
- c. **IRC Compliance.** Notwithstanding any other provision of these bylaws, the Society shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any future United States Internal Revenue statute).

ARTICLE II

MEMBERSHIP

Section 1. Membership Qualifications. Membership may be granted to any individual, corporation or other entity that: (i) meets the criteria set forth for each category of membership in the Society; (ii) shares interest in and supports the purposes of the Society; (iii) abides by these Bylaws and such other policies, rules, and regulations as the Society may adopt; and (iv) meets such additional criteria for each category of membership in the Society as the Board of Directors may establish.

Section 2. Application. The Society shall adopt an application form and procedures to facilitate the consideration of applicants for membership in the Society. All applicants shall complete the application form and submit the application, along with the designated fee, if any, to the administrative

office of the Society. Qualified applicants shall become members upon notice from the Society and payment of dues.

Section 3. Membership Categories. The membership of the Society shall be composed of the following categories, and such additional categories as may be established by the Board of Directors from time to time with input and direction from the Leadership Council:

a. **Professional Members**

1. **CPCU Member.** CPCU membership may be granted to any individual who has been certified by The American Institute for Chartered Property Casualty Underwriters, a Pennsylvania nonprofit corporation ("The Institutes") as authorized to use the Chartered Property Casualty Underwriter designation ("CPCU Designation").
2. **Affiliate Member.** Affiliate Membership may be granted to any individual (i) holding a designation conferred by an association located outside of the United States with a reciprocal arrangement recognizing the CPCU Designation for the purpose of completing all or a portion of such association's designation requirements; (ii) that shares interest in and supports the purposes of the Society; and (iii) meets such additional criteria as may be established by the Board of Directors.

b. **Institutional Member**

1. **The Institutes.** The Institutes shall be an institutional member of the Society and shall exercise its voting and other rights through its Board of Trustees (or its designee(s)) ("The Institutes Board of Trustees"). The Institutes shall be referred to herein as the "Institutional Member" or "The Institutes."

Notwithstanding anything set forth in these Bylaws to the contrary, The Institutes Board of Trustees shall have the sole authority and right to vote on (i) the election of the Society's Board of Directors; (ii) the amendment of the Society's Articles of Incorporation; (iii) the merger or dissolution of the Society; (iv) the amendment of the Society's Bylaws; and (v) all other matters with the exception of the election of the members and officers of the Leadership Council. The Institutes may seek the Leadership Council's input with respect to such decisions.

Section 4. Rights and Duties.

- a. All CPCU and Affiliate Members (referred to herein as the "professional members" or the "members") shall be entitled to attend the member meetings and social functions of the Society. All professional members may serve on the Society's committees, serve and hold office as voting members of the Leadership Council, and vote in the election of the members and officers of the Leadership Council.
- b. Each eligible professional member shall have one (1) vote in the election of the members and officers of the Leadership Council.
- c. The Institutes (through its designee(s)) shall be entitled to attend the member meetings and social functions of the Society and serve on the Society's volunteer committees.

With the exception of the Society's Executive Director (as provided in Article IX), no member of The Institutes staff shall be entitled to serve or hold office on the Leadership Council. The Institutes shall not have the right to vote in the election of the members and officers of the Leadership Council. However, members of The Institutes staff who are members of the Society shall be entitled to vote in the election of the members and officers of the Leadership Council.

Section 5. Disciplinary Action/Termination of Membership.

- a. **Grounds for Discipline.** The Society may discipline a member for any of the following reasons:
 1. Failure to comply with these Bylaws, or any other policies, rules or regulations of the Society;
 2. Conviction of a felony or a crime related to, or arising out of, their work in the industry or involving moral turpitude; or
 3. Immoral, dishonorable, or unprofessional conduct considered prejudicial to the best interests of, or inconsistent with, the purposes of the Society.
- b. **Procedures.** Discipline may include, but not be limited to, censure, suspension, probation, and expulsion. Disciplinary action may be taken provided that a statement of the charges shall have been sent by certified mail to the last recorded address of the member at least fifteen (15) days before final action is to be taken. This statement shall be accompanied by a notice of the time and place of the meeting at which the charges shall be considered, and the member shall have the opportunity to appear in person and/or to be represented by counsel and to present any defense to such charges before action is taken by the Society. Such disciplinary actions shall be conducted in accordance with procedures established by the Leadership Council or its designee(s), subject to the approval of the Board of Directors (which shall not be unreasonably withheld).
- c. **Non-Payment of Dues.** The membership of any member who is in default of payment of dues or assessments for more than three (3) months, or otherwise becomes ineligible for membership, shall be terminated automatically, according to such rules or procedures as the Society shall establish, unless such termination is delayed pursuant to the recommendation of the Leadership Council, the Board of Directors, or their respective designee(s).

Section 6. Reinstatement. Members who have resigned or been terminated for non-payment of dues or assessments may be reinstated upon (i) payment of delinquent dues or assessments; (ii) application to the Society; and (iii) meeting such additional terms and conditions as may be established by the Board of Directors with input and direction from the Leadership Council.

Section 7. Dues and Assessments. The initial and annual dues for all members of the Society, and the time for paying such dues and other assessments, if any, shall be determined by the Board of Directors with the Leadership Council's input and direction. Under special circumstances, the Leadership Council, or its designee(s), may waive or reduce the annual dues and/or assessments for any member, subject to the approval of the Board of Directors (which shall not be unreasonably withheld).

ARTICLE III

MEMBERSHIP MEETINGS

Section 1. Annual Meeting. An annual business meeting of the professional members of the Society shall be held at such time and place as shall be determined by the Leadership Council.

Section 2. Special Meetings. Special meetings of the professional members of the Society may be called at the request of the Leadership Council President, a majority of the members of the Leadership Council, the Board of Directors, or at the written request of two-thirds (2/3) of the Society's professional members. The time and place for holding special meetings of the professional members shall be determined by the Leadership Council.

Section 3. Notice. Notice of any annual or special meeting of the professional members shall state the time, date, place, and purpose of the meeting, and shall be delivered not more than sixty (60) and not less than five (5) days prior to the date of such meeting, unless otherwise required by applicable law.

Section 4. Quorum. The lesser of (i) ten percent (10%) of the eligible professional members of the Society; or (ii) two hundred and fifty (250) eligible professional members of the Society present in person shall constitute a quorum for the transaction of business at any duly called meeting of the professional members, provided that if less than a quorum is present, a majority of the professional members present may adjourn the meeting to another time without further notice.

Section 5. Manner of Acting. The act of a majority or more of the professional members present in person at a duly called meeting at which a quorum is present shall be the act of the professional members, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Section 6. Voting. Voting by ballot, mail or electronic means shall be permitted to the full extent allowed by the Pennsylvania Nonprofit Corporation Law of 1988, as may be amended (the "Act"). A ballot, mail or electronic vote may only be called by the Board of Directors, with input and direction from the Leadership Council.

ARTICLE IV

LEADERSHIP COUNCIL

Section 1. Authority and Responsibility. The Leadership Council shall provide strategic direction and stewardship for the Society, and shall create policy for the Leadership Council. The Leadership Council shall also:

- a. Develop the preliminary annual budget for the Society for presentation to the Board of Directors;
- b. Develop an annual operating plan of programs for professional members;
- c. Receive a report of the findings of the Society's annual audit;
- d. Provide input and direction to the Board of Directors;

- e. Make recommendations to the Board of Directors regarding the Society's dues and assessments;
- f. Make recommendations to the Board of Directors regarding the Society's policies;
- g. Recommend procedures to facilitate the consideration of applicants for membership in the Society to the Board of Directors;
- h. Receive reports of the Society's Board of Directors, committees and other volunteer groups;
- i. Establish interest groups, Leadership Council standing and ad hoc committees and task forces;
- j. Appoint members to the Leadership Council's standing and ad hoc committees and task forces; and
- k. Transact such other business as may properly come before the Leadership Council.

Section 2. Composition The Leadership Council shall be composed of up to eighteen (18) members as follows: (i) up to ten (10) at-large members to be elected by the professional members ("At-Large Members"); (ii) one (1) member to be appointed by the President & Chair; (iii) President & Chair of the Leadership Council; (iv) President-Elect of the Leadership Council; (v) Vice President of the Leadership Council; (vi) Secretary of the Leadership Council; (vii) Treasurer of the Leadership Council; (viii) Immediate Past President of the Leadership Council; and (ix) the Society's Executive Director.

Section 3. Term. The At-Large Members shall serve a three (3) year term on the Leadership Council, or until such time as their successors are duly elected. All other members of the Leadership Council shall serve a one year term on the Leadership Council, or until such time as their successors are duly elected. The members of the Leadership Council shall take office immediately after the Annual Meeting at which the oath of office was administered. No elected member of the Leadership Council, other than the officers of the Leadership Council, shall be eligible for re-election to the Leadership Council until at least one year shall have elapsed from the end of their term in office.

Section 4. Invited Participants. The President & CEO of The Institutes, or his or her designee, shall be invited to attend and participate, without vote, in all regular and special meetings of the Leadership Council.

Section 5. Qualifications. All members of the Leadership Council (with the exception of the Executive Director) must be professional members in good standing. Notwithstanding the foregoing, with the exception of the Executive Director, members of The Institutes staff are ineligible to serve on the Leadership Council.

Section 6. Nomination of Leadership Council Members. Qualified professional members interested in standing for election to the Leadership Council shall notify the Society by submitting a written statement expressing such interest to the Society's headquarters within the prescribed period of time. All such statements shall be submitted to the Nominating Committee (as provided in Article VI, Section 1) for consideration. The Nominating Committee shall recommend a slate of qualified candidates to the Leadership Council to fill each seat on the Leadership Council that is either vacant or set to expire

in the time frame established by the Leadership Council. The Leadership Council shall take action to approve such slate in a manner to be determined by the Leadership Council, with such changes as it deems necessary or prudent, in its discretion. Upon approval of the Leadership Council, the Leadership Council shall present the slate to the professional members for election. Elections of the members and officers of the Leadership Council will be held prior to the Annual Meeting in accordance with procedures established by the Leadership Council.

Section 7. Regular Meetings. The Leadership Council may take action to set the time, date, and place for the holding of a regular annual meeting of the Leadership Council and additional regular meetings of the Leadership Council without other notice than such action.

Section 8. Special Meetings. Special meetings of the Leadership Council may be called by, or at the request of, the President & Chair of the Leadership Council or upon a written request to the Secretary of the Leadership Council of a majority of the members of the Leadership Council. Notice of any special meeting of the Leadership Council shall state the time, date, and place of the meeting and shall be delivered at least five (5) days prior to the date of such meeting.

Section 9. Meeting by Conference Call. Any action to be taken at a meeting of the Leadership Council may be taken through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such a meeting shall constitute presence in person at the meeting of the persons so participating. Notwithstanding anything set forth to the contrary in these Bylaws, notice of any meeting to be held by conference call (whether regular or special) may be delivered a minimum of twenty-four (24) hours prior to the meeting.

Section 10. Quorum. A majority of the Leadership Council shall constitute a quorum for the transaction of business at any duly called meeting of the Leadership Council; provided that when less than a quorum is present at said meeting, a majority of the Leadership Council members present may adjourn the meeting to another time without further notice.

Section 11. Manner of Acting. The act of a majority of members of the Leadership Council present at a duly called meeting at which a quorum is present shall be the act of the Leadership Council, unless the act of a greater number is required by these Bylaws.

Section 12. Action Without a Meeting. Any action requiring a vote of the Leadership Council may be taken without a meeting if a written consent, setting forth the action taken, is approved by a majority of all members of the Leadership Council entitled to vote with respect to the subject matter thereof.

Section 13. Resignation and Removal. Any member of the Leadership Council may resign at any time by giving written notice to the President & Chair of the Leadership Council. In addition, any member of the Leadership Council may be removed by the Leadership Council whenever, in its judgment, the best interests of the Society would be served by such removal. Members of the Leadership Council must remain qualified for such office during the duration of their term in office. Members of the Leadership Council ceasing to be qualified automatically shall be removed from office and such vacancy shall be filled in accordance with these Bylaws.

Section 14. Vacancies. Vacancies in any position on the Leadership Council shall be filled by the President & Chair of the Leadership Council, subject to the approval of the Leadership Council, without undue delay. A member of the Leadership Council elected pursuant to this Section shall hold their position for the remainder of the original term for which he or she was elected to fill.

ARTICLE V

LEADERSHIP COUNCIL OFFICERS

Section 1. Officers. The officers of the Society's Leadership Council shall be a President & Chair, President-Elect, Vice President, Secretary, Treasurer and Immediate Past President (collectively, the "Officers"). No two (2) offices may be held simultaneously by the same person.

Section 2. Qualifications. All professional members in good standing are eligible to serve on the Leadership Council, provided, however, members of the Society's or The Institutes staff are not eligible to serve as officers of the Leadership Council.

Section 3. Election. The Vice President, Secretary and Treasurer of the Leadership Council shall be elected by the voting members. Qualified members interested in standing for election as Officers shall notify the Society by submitting a written statement expressing such interest to the Society's headquarters within the prescribed period of time. All such statements shall be submitted to the Nominating Committee for consideration. The Nominating Committee shall recommend a slate of qualified candidates to the Leadership Council to fill each Officer position that is either vacant or set to expire in the time frame established by the Leadership Council. Elections of the members and Officers of the Leadership Council and Officers will be held prior to the Annual Meeting in accordance with procedures established by the Leadership Council.

Section 4. Term. The President & Chair, President-Elect, Vice President and Immediate Past President of the Leadership Council shall serve a one (1) year term in office, or until such time as their successors are duly elected, qualified, and take office. The Secretary and Treasurer of the Leadership Council shall serve a three (3) year term in office, or until such time as their successors are duly elected, qualified, and take office. The President-Elect of the Leadership Council automatically shall succeed to the office of President & Chair of the Leadership Council following the conclusion of his or her term in office as President-Elect. The Vice President of the Leadership Council automatically shall succeed to the office of President-Elect of the Leadership Council following the conclusion of his or her term in office as Vice President. The President & Chair of the Leadership Council automatically shall succeed to the office of Immediate Past President of the Leadership Council following the conclusion of his or her term in office as President of the Leadership Council.

Section 5. President & Chair of the Leadership Council. The President & Chair of the Leadership Council shall be the principal elected officer of the Society's Leadership Council and shall, in general, supervise the Leadership Council's affairs, subject to the direction and supervision of the Board of Directors, by communicating with the Executive Director as necessary regarding the business of the Society. The President & Chair of the Leadership Council shall be a member, without vote, of all committees, except as otherwise provided by these Bylaws. The President & Chair of the Leadership Council shall preside over all meetings of the Leadership Council and professional members, and shall, in general, perform such duties as may be prescribed by the Board of Directors. The President & Chair of the Leadership Council automatically shall succeed to the office of Immediate Past President of the Leadership Council following the conclusion of his or her term in office as President & Chair of the Leadership Council.

Section 6. President-Elect of the Leadership Council. The President-Elect of the Leadership Council shall assist the President & Chair of the Leadership Council and shall substitute for the President & Chair of the Leadership Council when required. The President-Elect of the Leadership Council shall be a member, without vote, of all committees, except as otherwise provided by these Bylaws. The President-Elect of the Leadership Council shall, in general, perform all duties as may be

prescribed by the Leadership Council. The President-Elect of the Leadership Council automatically shall succeed to the office of President & Chair of the Leadership Council upon the conclusion of the President & Chair of the Leadership Council's term in office, and in the event of the death, resignation, removal, or incapacity of the President & Chair of the Leadership Council.

Section 7. Vice President of the Leadership Council. The Vice President of the Leadership Council shall, in general, perform all duties as may be prescribed by the Leadership Council. The Vice President of the Leadership Council automatically shall succeed to the office of President-Elect of the Leadership Council upon the conclusion of the President-Elect of the Leadership Council's term in office, and in the event of the death, resignation, removal, or incapacity of the President-Elect of the Leadership Council.

Section 8. Treasurer of the Leadership Council. The Treasurer of the Leadership Council shall be responsible for monitoring the Society's budget and associated management reports, and sharing such information with the Leadership Council, and such other duties as may be assigned by the Leadership Council.

Section 9. Secretary of the Leadership Council. The Secretary of the Leadership Council shall keep the minutes of the meetings of the professional members and of the Leadership Council; and in general perform all such other duties as from time to time may be assigned by the Leadership Council. The ministerial duties of the Secretary of the Leadership Council may be assigned, in whole or in part, to the Executive Director, or his or her designee(s).

Section 10. Immediate Past President of the Leadership Council. The Immediate Past President of the Leadership Council shall perform such duties as may be prescribed by the Leadership Council. The Immediate Past President of the Leadership Council shall serve as the Chair of the Nominating Committee.

Section 11. Resignation and Removal of Leadership Council Officers. Any Officer of the Leadership Council may resign at any time by giving written notice to the President & Chair of the Leadership Council. In addition, any Officer of the Leadership Council may be removed by the Leadership Council or the Board of Directors, whenever, in its reasonable judgment, the best interests of the Society would be served by such removal. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election of an Officer or agent shall not of itself create any contract rights. Officers ceasing to be qualified automatically shall be removed from office and such vacancy shall be filled in accordance with these Bylaws.

Section 12. Officer Vacancies. Vacancies in any office of the Leadership Council (with the exception of the Executive Director and those offices where automatic succession is specifically provided for) shall be filled by the Leadership Council at its next scheduled meeting, or at a special meeting called for that purpose. An officer elected pursuant to this Section shall hold office until the next regularly scheduled election.

ARTICLE VI

LEADERSHIP COUNCIL COMMITTEES AND TASK FORCES

Section 1. Leadership Council Nominating Committee.

a. **Composition.** The Leadership Council Nominating Committee shall consist of such

members as may be determined by the Leadership Council. The Immediate Past President of the Leadership Council shall be the Chair of the Leadership Council Nominating Committee. Members of the Leadership Council Nominating Committee are ineligible to run for office on the Leadership Council.

- b. **Duties.** The Leadership Council Nominating Committee shall be responsible for recruiting qualified members for Society Leadership Council office and for the identification and development of future volunteer leaders. The Leadership Council Nominating Committee shall solicit nominations for members and officers of the Leadership Council and shall submit to the Leadership Council a list of qualified candidates to succeed those members and officers of the Leadership Council whose terms shall expire at the conclusion of the next annual meeting, if any.
- c. **Quorum and Manner of Acting.** A majority of the members of the Leadership Council Nominating Committee shall constitute a quorum for the transaction of business unless otherwise set forth in these Bylaws. A majority vote by committee members present and voting at a meeting at which a quorum is present shall be required for any action.

Section 2. Governors. The needs, goals and activities of the Society's Chapters, interest groups and Affiliate Members shall be assisted by Governors. The number of Governors, structural composition, duties, responsibilities, term of office, and reporting relationships of Governors shall be determined by Leadership Council policy, subject to the approval of the Board of Directors (which shall not be unreasonably withheld).

Section 3. Interest Groups and Standing Committees. The Leadership Council may establish interest groups and such other Leadership Council standing committees as it deems necessary or prudent in the exercise of its authority and responsibility as set forth in these Bylaws and in accordance with the Society's budget.

- a. **Authority/Composition/Qualifications.** The action establishing an interest group or Leadership Council standing committee shall set forth such interest group or committee's purpose, authority, and composition, and the qualifications required for membership. In the absence of any direction to the contrary in the authorizing action the President & Chair of the Leadership Council shall appoint the chairperson of all interest groups and standing committees of the Leadership Council, subject to the approval of the Leadership Council. Interest groups and Leadership Council standing committees may be terminated or repurposed by a majority vote of the Leadership Council.
- b. **Quorum and Manner of Acting.** At all meetings of any interest group or Leadership Council standing committee, a majority of the members shall constitute a quorum for the transaction of business unless otherwise set forth in these Bylaws or the resolution establishing such interest group or committee. A majority vote by the members present and voting at a meeting at which a quorum is present shall be required for any action.
- c. **Vacancies.** Except as otherwise provided herein, vacancies in the membership of a Leadership Council interest group or standing committee shall be filled by the chairperson of such committee.
- d. **Policies and Procedures.** The Leadership Council shall develop and approve policies and procedures for the operation of all interest groups and Leadership Council standing committees. All interest groups and Leadership Council standing committees shall report

to the Leadership Council, unless otherwise set forth in the resolution establishing such interest group or committee, and shall be subject to the ultimate authority of the Board of Directors.

Section 4. Leadership Council Advisory/Ad Hoc Committees and Task Forces. The

President & Chair of the Leadership Council or the Leadership Council may appoint such advisory or ad hoc committees or task forces as are necessary or appropriate in the exercise of its authority and responsibility as set forth in these Bylaws and in accordance with the Society's budget. A Leadership Council ad hoc committee shall terminate three (3) years from the date of its creation, unless renewed by the Leadership Council. A Leadership Council task force shall terminate after one (1) year from the date of its creation, unless renewed by the Leadership Council. Leadership Council ad hoc committees and task forces may be established for longer or shorter periods with the approval of the Leadership Council. The action establishing such a committee or task force shall set forth the committee's or task force's purpose and composition.

Section 5. Quorum and Manner of Acting. At all meetings of any Leadership Council advisory or ad hoc committee or task force, a majority of the members thereof shall constitute a quorum for the transaction of business. A majority vote by committee or task force members present and voting at a meeting at which a quorum is present shall be required for any action.

Section 6. Committee/Task Force Vacancies. Except as otherwise provided herein, vacancies in the membership of a committee or task force shall be filled by appointments made in the same manner as the original appointments to that committee/task force.

Section 7. Policies and Procedures. The Leadership Council shall develop and approve general policies and procedures for the operating of all committees and task forces. All Leadership Council committees and task forces shall report to the Leadership Council, and shall be subject to the ultimate authority of the Board of Directors.

ARTICLE VII

SOCIETY CHAPTERS

Section 1. Establishment.

- a. The Leadership Council may establish Chapters to represent distinct geographic areas or specific interests within the Society in accordance with these Bylaws, and the policies and procedures established by the Leadership Council and approved by the Board of Directors (such approval shall not be unreasonably withheld).
- b. Ten or more professional members of the Society may submit a petition to the Leadership Council to form a Society Chapter.
- c. All Chapters must be separately incorporated as not-for-profit corporations in the state of their choosing and must obtain an exemption from Federal income tax from the Internal Revenue Service under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States Internal Revenue statute.

Section 2. Purpose. Chapters will advance the general and specific purposes of the Society.

Section 3. Affiliation. Each Chapter must (i) complete the required chapter, trademark license and other agreements as may be required by the Society from time to time; (ii) submit all required annual renewal information to the Society; and (iii) comply with the Society's Bylaws, guidelines, policies, and procedures in order to maintain its status as a Chapter of the Society.

Section 4. Membership. Chapter membership is mandatory. Professional members will automatically be assigned to the Chapter representing the geographic area that coincides with the member's address on record with the Society. Members may instead choose to belong to a Chapter(s) of their choice upon notice to the Society.

Section 5. Authority and Limitations. Chapters will carry out the purposes of the Society, and comply with these Bylaws and all of the Society's guidelines, policies, and procedures. Chapter bylaws, and any amendments thereto, must be approved in advance by the Board of Directors (or its designee) and must be consistent with the Society's Bylaws, guidelines, policies, and procedures. The Board of Directors shall seek the Leadership Council's (or its designee(s)) input with respect to the approval of Chapter bylaws and amendments.

Section 6. Dissolution. The Leadership Council may dissolve a Chapter for any reason, including, without limitation, a Chapter's failure to abide by the terms of the Society's Bylaws, guidelines, policies, or procedures, with the approval of the Board of Directors (which shall not be unreasonably withheld). The Board of Directors may also, in its reasonable discretion, take independent action to dissolve a Chapter for any reason. Upon dissolution of a Chapter for any reason, a Chapter's remaining assets (after meeting any obligations) shall be distributed to the Society.

ARTICLE VIII

INDEMNIFICATION

Section 1. The Society's officers, directors, employees, Leadership Council members and officers, committee and task force members, and all other volunteers of the Society (each an "indemnified party") shall not be personally liable for any action or failure to act on behalf of the Society unless such person breached a duty of care towards the Society or engaged in self-dealing, misconduct, or other recklessness. Absent such wrongful conduct, any action or failure to act on the part of an indemnified party shall be presumed to be in the best interests of the Society.

Section 2. In performing his or her duties as a director of the Society, any director may rely in good faith upon information, reports, financial statements, and opinions of officers or employees of the Society, counsel or public accountants hired by the Board of Directors or the Society, or committees of the Board of Directors of which that director was not a member.

Section 3. The Society shall indemnify any indemnified party who is a party or is threatened to be made a party to any suit, proceeding, or action, whether civil, criminal, administrative, or investigatory, by reason of representing, serving, or acting on behalf of the Society or its Board of Directors for all expenses, attorney's fees, judgments, fines, or settlements to the full extent permitted by law.

Section 4. The Society may purchase liability insurance to cover its obligations set forth in Article VIII, Section 3 and on behalf of any indemnified party.

ARTICLE IX

EXECUTIVE DIRECTOR

The administrative and day-to-day operation of the Society shall be the responsibility of a salaried staff head or entity. The salaried staff head or, in the case of an entity, chief staff officer retained by the entity shall have the title of "Executive Director." The Executive Director shall receive input and direction from the Leadership Council regarding the budget and annual operating plan of programs for members. The Executive Director shall attend and participate in all meetings of the Society's Board of Directors (except those held in executive session), Leadership Council, Leadership Council committees, and other committees, except as otherwise provided by these Bylaws. The Executive Director shall have such authority as may be specifically granted, shall carry out such duties as may be specified, and shall be responsible to the Board of Directors.

ARTICLE X

BOARD OF DIRECTORS

Section 1. Authority and Responsibility. The business and affairs of the Society shall be managed by the Board of Directors which shall have supervision, control, and direction of the Society, shall determine its policies or changes therein within the limits of these Bylaws, shall actively promote its purposes, and shall have discretion in the disbursement of its funds. In accordance with these Bylaws, the Board of Directors shall seek input from the Leadership Council as it deems necessary to fulfill its obligations and responsibilities and in the interests of the Society. The Board of Directors may adopt such rules and regulations for the conduct of its business as shall be deemed advisable and may, in the execution of the powers granted, appoint such agents as it may consider necessary. Notwithstanding anything set forth in these Bylaws to the contrary, the Board of Directors has ultimate authority with respect to all Society matters.

Section 2. Composition and Term. The Board of Directors shall be composed of such number of Directors as shall be determined by The Institutes from time to time, and shall serve a one year term in office or until such time as their successors are duly elected. The Institutes shall appoint the members of the Society's Board of Directors.

Section 3. Invited Participants. The Society's Executive Director shall be invited to attend and participate, without vote, in all regular and special meetings of the Board of Directors (except those held in executive session).

Section 4. Regular Meetings. The Board of Directors may take action to set the time, date, and place for the holding of a regular annual meeting of the Board of Directors and additional regular meetings of the Board of Directors without other notice than such action.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by, or at the request of, the President or upon a written request to the Secretary of a majority of the members of the Board of Directors. Notice of any special meeting of the Board of Directors shall state the time, date, and place of the meeting and shall be delivered at least five (5) days prior to the date of such meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called and convened.

Section 6. Meeting by Conference Call. Any action to be taken at a meeting of the Board

of Directors or any committee thereof may be taken through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such a meeting shall constitute presence in person at the meeting of the persons so participating. Notwithstanding anything set forth to the contrary in these Bylaws, notice of any meeting to be held by conference call (whether regular or special) may be delivered a minimum of twenty-four (24) hours prior to the meeting.

Section 7. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any duly called meeting of the Board of Directors; provided that when less than a quorum is present at said meeting, a majority of the Board of Directors members present may adjourn the meeting to another time without further notice.

Section 8. Manner of Acting. The act of a majority of Directors present at a duly called meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Section 9. Action Without a Meeting. Any action requiring a vote of the Board of Directors may be taken without a meeting if a written consent, setting forth the action taken, is approved by all of the members of the Board of Directors entitled to vote with respect to the subject matter thereof.

Section 10. Resignation and Removal. Any member of the Board of Directors may resign at any time by giving written notice to the President. In addition, any member of the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Society would be served by such removal.

Section 11. Vacancies. Vacancies in any Director position shall be filled by the President, subject to the approval of the Board, without undue delay. A Director elected pursuant to this Section shall hold their position for the remainder of the original term for which he or she was elected to fill.

Section 12. Officers. The President & CEO of The Institutes shall serve as the President & CEO, Secretary and Treasurer of the Board of Directors and the corporation and shall, in general, perform all duties customarily incident to such offices, and such other duties as may be prescribed by the Board of Directors. The duties of the Treasurer and Secretary may be assigned by the Board of Directors in whole or in part. The President & CEO/Secretary/Treasurer may resign at any time by giving written notice to the Board of Directors. In addition, the President & CEO/Secretary/Treasurer may be removed by the Board of Directors, whenever, in its judgment, the best interests of the Society would be served by such removal. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer or agent shall not of itself create any contract rights. Officers ceasing to be qualified automatically shall be removed from office and such vacancy shall be filled in accordance with these Bylaws. A vacancy in the office of President & CEO/Secretary/Treasurer shall be filled by the Board of Directors at its next scheduled meeting, or at a special meeting called for that purpose.

Section 13. Committees Established by the Board of Directors. The Board of Directors may establish such standing, advisory, or ad hoc committees and task forces as it deems necessary or prudent in the exercise of its authority and responsibility as set forth in these Bylaws.

- a. **Authority/Composition/Qualifications.** The action establishing a committee or task force shall set forth the committee's purpose, authority, and composition, and the qualifications required for membership on the committee. In the absence of any direction to the contrary in the authorizing action the Board of Directors shall appoint the chairperson of all committees and task forces established by the Board of Directors. Any

committee having the authority of the Board of Directors shall have members of the Board of Directors as a majority of its members and may only be established by the Board of Directors. Committees and task forces established by the Board of Directors may be terminated or repurposed by a majority vote of the Board of Directors at any time.

- b. **Quorum and Manner of Acting.** At all meetings of any committee or task force established by the Board of Directors, a majority of the members shall constitute a quorum for the transaction of business unless otherwise set forth in these Bylaws or the resolution establishing such committee or task force. A majority vote by members present and voting at a meeting at which a quorum is present shall be required for any action.
- c. **Vacancies.** Except as otherwise provided herein, vacancies in the membership of a committee or task force shall be filled by the chairperson of such committee, subject to the approval of the Board of Directors.
- d. **Policies and Procedures.** The Board of Directors (or its designee(s)) shall develop and approve policies and procedures for the operation of all committees and task forces established by the Board of Directors. All committees and task forces established by the Board of Directors shall report to the Board of Directors, unless otherwise set forth in the resolution establishing such committee or task force, and shall be subject to the ultimate authority of the Board of Directors.

ARTICLE XI **ELECTRONIC MEETINGS / COMMUNICATION**

Section 1. Electronic Meetings. Any action to be taken at a Board of Directors, Leadership Council, professional member, committee or task force meeting may be taken through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other simultaneously. Participation in such a meeting shall constitute presence in person at the meeting of the persons so participating. Notwithstanding anything set forth to the contrary in these Bylaws, notice of an electronic meeting of the Board of Directors, Leadership Council or professional members must be delivered at least twenty-four (24) hours prior to the meeting.

Section 2. Electronic Communication. Unless otherwise prohibited by law, (i) any action to be taken or notice delivered under these Bylaws may be taken or transmitted by electronic mail or other electronic means; and (ii) any action or approval required to be written or in writing may be transmitted or received by electronic mail or other electronic means.

ARTICLE XII

FINANCE

Section 1. Contracts. The Board of Directors shall have the sole authority to authorize an officer or officers, agent or agents of the Society to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Society, and such authority may be general or confined to specific instances.

Section 2. Payment of Indebtedness. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Society shall be signed by

such officer or officers, agent or agents of the Society and in such manner as shall be determined by action of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the President & CEO of the Board of Directors and countersigned by the Executive Director.

Section 3. Deposits. All funds of the Society shall be deposited to the credit of the Society in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 4. Bonding. The Board of Directors may provide for the bonding of such officers and employees of the Society as it may determine is necessary and/or appropriate.

Section 5. Books and Records. The Society shall keep correct and complete books and records of account and shall also keep minutes of the Annual Meeting of the professional members, and the proceedings of the Board of Directors, and any committees having the authority of the Board of Directors.

Section 6. Optional Annual Audit. The Board of Directors may, in its discretion, provide for an annual audit of the financial records of the Society by a certified public accountant. A report of the financial condition of the Society shall be made to the membership of the Society annually.

Section 7. Fiscal Year. The fiscal year of the Society shall be determined by the Board of Directors.

ARTICLE XIII

WAIVER OF NOTICE

Whenever notice is required to be given under applicable law, the Articles of Incorporation or these Bylaws, waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV

AMENDMENTS

These Bylaws may be amended, altered or repealed and new Bylaws may be adopted by the affirmative vote of a majority of the Board of Directors, subject to the approval of The Institutes Board of Trustees. The Board of Directors shall provide the Leadership Council the opportunity to provide its input with respect to any proposal to amend, alter or repeal the Bylaws. All amendments to these Bylaws adopted by the Board of Directors shall be made available to the professional members in a timely manner.

ARTICLE XV

DISSOLUTION

In the event of the dissolution of the Society, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Society, dispose of all of the remaining assets of the Society (except any assets held by the Society upon condition requiring return, transfer or other conveyance in the event of dissolution, which assets shall be returned, transferred or conveyed in accordance with such requirements) exclusively for the purposes of the Society in such manner, or to such organization or organizations as shall at the time qualify as a tax-exempt organization or organizations

recognized under Sections 501(c)(3) or 501(c)(6) of the Internal Revenue Code of 1986, as amended or the corresponding provisions of any future United States Internal Revenue statute, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the court of general jurisdiction of the county in which the principal office of the Society is then located, exclusively for such purposes in such manner, or to such organization or organizations that are organized and operated exclusively for such purposes, as said court shall determine.