

AMERICAN COLLEGE OF HEALTHCARE EXECUTIVES BYLAWS*

*As amended by the Board of Governors at its meeting on November 16, 2009.

ARTICLE I. NAME, REGISTERED OFFICE AND AGENT, MISSION, OBJECTS, PROGRAM

SECTION 1. NAME

The name of the corporation is American College of Healthcare Executives, hereafter known as "ACHE."

SECTION 2. REGISTERED OFFICE AND AGENT

The registered office of ACHE and the address of its registered agent shall be at such location in the State of Illinois as the Board of Governors shall from time to time determine. The Board of Governors, which serves as the Board of Directors under the Illinois General Not-for-Profit Corporation Act, may establish additional offices from time to time at such places within or without the State of Illinois as it may deem advisable.

SECTION 3. MISSION

The mission of ACHE is to advance our members and healthcare management excellence.

SECTION 4. POWERS AND LIMITATIONS

- (a) ACHE has such powers as are now or may hereafter be granted by the Illinois General Not-for-Profit Corporation Act.
- (b) No part of the net earnings of ACHE shall inure to the benefit of any affiliate, Regent, Governor, Officer, or other individual, provided that ACHE may pay reasonable compensation for services rendered and reimbursement for expenses incurred.

ARTICLE II. MEMBERSHIP

SECTION 1. CATEGORIES OF MEMBERSHIP

ACHE shall have eight categories of membership: Members, Fellows, Honorary Fellows, Life Fellows, Faculty Associates, Student Associates, International Associates, and Retired Affiliates, all with the respective rights and privileges as herein described. Individuals included in any of the eight categories of College membership are referred to collectively as "affiliates."

SECTION 2. MEMBERSHIP CRITERIA

Applicants and those seeking advancement in ACHE shall meet such standards, requirements, and qualifications as are established and approved by the Board of Governors. The standards, requirements, and qualifications for all categories of membership are set forth in the *Regulations Governing Admission, Advancement, and Recertification*.

SECTION 3. APPLICATIONS AND ADMISSION

- (a) Applications for membership shall be submitted to ACHE and shall be considered by the Credentials Committee or processed under the direction of the President .
- (b) Applicants denied or deferred admission, advancement, or recertification to Member or Fellow membership status also shall be notified that they may file a request for reconsideration with the Credentials Committee in accordance with the

procedures adopted from time to time by the Board of Governors.

SECTION 4. MEMBERSHIP FEES/DUES

- (a) Fees may be required of applicants for the status of Member or Fellow. The Board of Governors shall make the determination as to whether fees will be charged and the amount of those fees.
- (b) The dues year of ACHE shall be the calendar year. The rate of annual dues and any special dues assessment shall be determined by the Board of Governors. No change in annual dues shall become effective until the beginning of the dues year following approval of such change. Honorary Fellows and Life Fellows shall not be required to pay annual dues.
- (c) Notice of any change in dues shall be provided to Members and Fellows not less than twenty nor more than sixty days prior to the effective date of such change.

SECTION 5. RIGHTS AND PRIVILEGES OF AFFILIATES

- (a) Voting. Only Fellows, Life Fellows, and Members (sometimes collectively referred to herein as the "Voting Affiliates") may vote. No other membership category shall have voting rights.
- (b) Board of Governors and Council of Regents. Only Fellows may serve on the Board of Governors and on the Council of Regents.
- (c) Officers. Only Fellows may serve as an elected Officer (as that term is defined in Article VII, Section 1 of these *Bylaws*).
- (d) Committees. Except as otherwise provided herein, all affiliates may serve on committees of ACHE.

SECTION 6. RESIGNATION, SUSPENSION AND EXPULSION OF AFFILIATES; RECLASSIFICATION AND FORMER AFFILIATE STATUS

- (a) Any affiliate may resign at any time by filing a written resignation with the President of ACHE. Such resignation shall become effective as of the time it is received by ACHE, but the affiliate resigning shall not be relieved of the obligation to pay any unpaid fees, dues, assessments, or other charges.
- (b) Affiliates may be suspended or expelled by action of the Board of Governors as a result of violation of the *Code of Ethics*; nonconformity with the *Bylaws* or *Regulations Governing Admission, Advancement, and Recertification*; conviction of a felony; or conviction of a crime of moral turpitude or a crime relating to the healthcare management profession. No such suspension or expulsion shall be effected without affording a reasonable opportunity for the affiliate to consider the charges and to appear in his or her own defense before the Board of Governors or its designated hearing committee, as outlined in procedures adopted by the Board of Governors.

- (c) Fellows failing to recertify in accordance with the standards set forth in the *Regulations Governing Admission, Advancement, and Recertification* shall be reclassified as Members.
- (d) The Board of Governors shall from time to time establish rules for the classification of affiliates who are in arrears in the payment of dues as former affiliates
- (e) The Board of Governors shall from time to time provide standards for the transfer from active to former affiliate status, which standards shall be incorporated in the *Regulations Governing Admission, Advancement, and Recertification*. Active affiliates shall be those affiliates who have paid all applicable dues and meet the standards, requirements, and qualifications for their category of membership as set forth in the *Regulations Governing Admission, Advancement, and Recertification*.
- (f) Notwithstanding any provision in these *Bylaws* to the contrary, former affiliates may not vote or serve as an Officer, Governor, Regent, or member of any committee of ACHE.
- (g) Any former affiliate may apply for reinstatement. The application and supporting information shall be submitted to the President who may grant reinstatement in accordance with the standards set forth in the *Regulations Governing Admission, Advancement, and Recertification*.

ARTICLE III. MEETINGS OF AFFILIATES

SECTION 1. ANNUAL MEETING

An annual meeting of the Voting Affiliates shall be held at such time and place as the Board of Governors may determine.

SECTION 2. SPECIAL MEETINGS

Special meetings of the Voting Affiliates may be called by the Board of Governors, or by not less than one-half of the Voting Affiliates.

SECTION 3. NOTICE OF MEETINGS

Written notice stating the place, day, and hour of any meeting of Voting Affiliates shall be provided to each affiliate entitled to vote at such meeting not less than twenty nor more than sixty days before the date of such meeting, by or at the direction of the President, or the Secretary, or the Officers or persons calling the meeting.

In the case of a special meeting, or when required by statute or by these *Bylaws*, the purpose for which the meeting is called shall be stated in the notice. If mailed by United States mail, the notice shall be deemed delivered when deposited in the United States mail addressed to the Voting Affiliate at his or her address as it appears on the records of ACHE, with postage thereon prepaid. Any Voting Affiliate may waive notice of any meeting.

SECTION 4. QUORUM

Unless otherwise provided in these *Bylaws*, the Voting Affiliates holding at least ten percent (10%) of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of Voting Affiliates, a majority of the Voting Affiliates present may adjourn the meeting from time to time without further notice.

SECTION 5. PROXIES

At any meeting of Voting Affiliates, a Voting Affiliate may vote either in person or by proxy executed in writing by the Voting

Affiliate or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

ARTICLE IV. ELECTION OF REGENTS

SECTION 1. VOTING RIGHTS

Each Voting Affiliate shall be entitled to one vote in the election of the member of the Council of Regents representing his or her voting jurisdiction (see Article V, Section 1) and shall have no other voting rights except as specifically provided in these *Bylaws* or in the Articles of Incorporation of ACHE, or as provided by law.

SECTION 2. ELECTION: COUNCIL OF REGENTS

- (a) Not less than six months prior to the scheduled annual meeting of the Council of Regents, the President shall publish in an official ACHE publication the names of the voting jurisdictions where a Regent's term will expire, and encourage active Fellows to declare their candidacy for the office of Regent on the Council of Regents. Thereafter, but no less than four months prior to the scheduled annual meeting of the Council of Regents, the President shall distribute a ballot to Voting Affiliates in the voting jurisdiction, and in attached areas (see Article V, Section 2), for the purpose of holding a primary for the election of Regents. The ballot shall be accompanied by a listing of the Fellows who have declared their candidacy for Regent representing the voting jurisdiction; provided, however, that Voting Affiliates may cast their votes for any write-in candidates from the voting jurisdiction who are eligible to serve on the Council of Regents.
- (b) Based upon the vote taken of Voting Affiliates held pursuant to subsection (a) above, the Board of Governors shall designate as final candidates the two candidates in each voting jurisdiction who have received the greatest number of votes, unless a candidate has been elected Regent by simple majority. The ballots shall be retained as confidential documents until the election results are certified by the Board of Governors. Only if candidates receive tie votes shall more than two names appear on the list of finalists. In the event that only one Fellow in a voting jurisdiction is a candidate, he or she shall be elected by votes of Voting Affiliates.
- (c) Where no simple majority is received pursuant to subsection (a) above, the President shall distribute another ballot in the voting jurisdiction, and in attached areas. The ballot shall be accompanied by a listing of the final Regent candidates selected pursuant to subsection (a) above. The returned ballots shall be retained as confidential documents until the election results are certified by the Board of Governors. The candidate receiving the greatest number of votes shall be declared elected. He or she shall be notified by the President of ACHE. In case of a tie vote, the Board of Governors shall decide which of the two candidates shall be declared elected.
- (d) The provisions of subsections (b) and (c) notwithstanding, the uniformed services/Veteran Affairs voting jurisdictions are not geographically divided for voting purposes. In cases in which more than one Regent term is expiring for a given branch of the uniformed services/Veterans_Affairs, the candidates receiving the greatest number of votes will be declared elected.
- (e) A Regent who leaves the position of employment occupied at the time of election, but continues to function in a healthcare

management position as referenced in the *Regulations Governing Admission, Advancement, and Recertification*, which govern eligibility for advancement to Fellow, and remains employed in the same voting jurisdiction, may continue to serve the remainder of the elected term. A voting jurisdiction wherein no eligible candidate is available shall be without direct representation on the Council of Regents until the next annual election.

- (f) No Fellow who has served one full term on the Council of Regents as the representative of a voting jurisdiction shall be re-elected from the same jurisdiction until the passage of the period of one term, unless there is no other Fellow willing to serve as a Regent.

ARTICLE V. COUNCIL OF REGENTS

SECTION 1. REPRESENTATION

- (a) Only Fellows who reside in the voting jurisdiction to be represented and are employed in a healthcare management position as referenced in the *Regulations Governing Admission, Advancement, and Recertification* shall be eligible to be candidates for or serve as members of the Council of Regents. Members of the Council of Regents may represent only the voting jurisdiction in which they are eligible to vote.
- (b) Each geographical jurisdiction (state and commonwealth of the United States, the District of Columbia, Puerto Rico, and Canada) and each branch of the uniformed services (Air Force, Army, and the Navy/Coast Guard/uniformed members of the Public Health Service) and the Department of Veterans Affairs shall be entitled to representation by a Regent or Regents in accordance with the requirements of this Article V, Section 1(b). Geographical jurisdictions (or, in geographical jurisdictions having multiple Regent representation as set forth below, their subdivisions), branches of the uniformed services, and Veterans Affairs shall be known as voting jurisdictions.

Each geographical jurisdiction and each branch of the uniformed services/Veterans Affairs shall be represented by Regents according to the following formula:

999 or fewer Voting Affiliates—one Regent;
1,000 to 1,499 Voting Affiliates—two Regents;
1,500 to 1,999 Voting Affiliates—three Regents;
and one additional Regent for each additional group of
500 Voting Affiliates.

The level of Regent representation for each jurisdiction as defined in Article V, Section 1(b) will be determined on a schedule determined by the Board of Governors. The Board of Governors shall determine which membership census report shall be used to determine the level of Regent representation for each geographical jurisdiction or branch of the uniformed services/Veterans Affairs.

In geographical jurisdictions or branches of the uniformed services/Veterans Affairs entitled to increased representation, the election of such an additional Regent or Regents will occur as soon as possible, but no later than one year after any such determination is made, as part of the annual Regent election process.

In geographical jurisdictions or branches of the uniformed services/Veterans Affairs requiring a reduction of Regent representation, the consolidation of Regent jurisdictions shall coincide with the next Regent vacancy from that jurisdiction or branch of the uniformed services/Veterans Affairs.

Any changes to voting jurisdictions shall be made with due attention to geographic factors and to equitable distribution of Voting Affiliates and categories of membership comprising the Voting Affiliates, according to a process approved by the Board of Governors.

Each Regent representing a voting jurisdiction shall have one vote on the Council of Regents.

- (c) There shall be one Regent-at-Large for each of the geographical administrative districts and one for the uniformed services/Veterans Affairs administrative district. Regents-at-Large will have no identifiable constituency other than the Regents serving in that administrative district. Regents-at-Large shall be nominated by the Nominating Committee and elected by the Council of Regents. Each Regent-at-Large shall have one vote on the Council of Regents.

SECTION 2. ASSIGNMENT OF REPRESENTATION

Any geographical jurisdiction not directly represented shall be attached to a nearby geographical jurisdiction for representation purposes as designated by the Board of Governors and the Voting Affiliates of such jurisdiction shall participate in the election of the Regent from the jurisdiction to which it is so attached. The Regent representing that nearby geographical jurisdiction shall consider the interests of the unrepresented area.

SECTION 3. TERM

The regular term of a member of the Council of Regents shall be three years commencing upon the close of the annual meeting of the Council of Regents following certification of election by the Board of Governors and expiring upon the close of the third annual meeting of the Council of Regents thereafter. If a member of the Council of Regents moves from the voting jurisdiction he or she was elected or appointed to represent, the member shall resign his or her office except if less than one year remains to serve of his or her term.

SECTION 4. VACANCIES

- (a) In a voting jurisdiction wherein the Regent has resigned his or her office, is removed for a reason other than incapacitation, has been elected to the Board of Governors (see Article VI, Section 1), or ceases to be an active Fellow, the Board of Governors shall appoint an interim Regent to serve until close of the Council of Regents meeting following the next annual Regent election cycle. Such appointment shall be made in accordance with the procedures established from time to time by the Board of Governors.
- (b) In the case of a Regent who is temporarily unable to fulfill the duties of Regent due to incapacitation or another reason, the Board of Governors may appoint an interim Regent in accordance with the procedures adopted from time to time by the Board of Governors.

SECTION 5. MEETINGS

- (a) The Council of Regents shall conduct an annual meeting, and may conduct special meetings. Each member of the Council of Regents shall be notified not less than twenty nor more than

sixty days in advance of any meeting as to place, day, and hour of such meeting.

- (b) Meetings of the Council of Regents may be called by the Council of Regents or by the Board of Governors, and shall be called by the Chairman upon petition of twenty members of the Council of Regents.
- (c) In the event of a national emergency or other circumstances preventing the conduct of the annual meeting of the Council of Regents, the elected Officers and the Board of Governors shall continue to serve ACHE until such time as a meeting of the Council of Regents is possible.

SECTION 6. QUORUM AND VOTING

- (a) A quorum for meetings of the Council of Regents shall be a simple majority of the members thereof.
- (b) Each member of the Council of Regents shall have one vote.
- (c) Matters submitted to a vote in the Council of Regents shall be determined by a majority of votes cast by members of the Council who are present in person and voting at a meeting at which a quorum is present, except as otherwise provided in these *Bylaws* or pursuant to the Illinois General Not-for-Profit Corporation Act.
- (d) Proxy voting by Regents shall be prohibited, except with respect to the dissolution of ACHE or the Foundation of the American College of Healthcare Executives, the removal of a member of the Board of Governors, or as otherwise provided in these *Bylaws* or pursuant to the Illinois General Not-for-Profit Corporation Act.

SECTION 7. POWERS

The Council of Regents shall serve as the primary advisory body to the Board of Governors representing the affiliates and shall have the following powers:

- (a) To elect the Chairman Officers of ACHE;
- (b) To elect members of the Board of Governors with at least one Governor being a member of the uniformed services/Veterans Affairs;
- (c) To elect the Regents-at-Large of ACHE;
- (d) To recommend to the Board of Governors, by majority vote at the annual meeting of the Council of Regents, the Nominating Committee referred to in Article VIII, Section 2.(a);
- (e) To recommend to the Board of Governors special committees or task forces for particular or special purposes in accordance with Article VIII, Section 3;
- (f) To approve or to disapprove recommendations, reports, actions, or resolutions placed before the Council by the Officers and the Board of Governors. The Council may modify any such proposal, but, in so doing, the Council shall return it to the Board of Governors or Officers for reconsideration. A proposal so modified shall not be effective until resubmitted and approved by the Council; and

- (g) To make proposals and recommendations to the Board of Governors, which may be required to take action and report thereon at a subsequent meeting of the Council.

SECTION 8. REMOVAL FROM MEMBERSHIP ON THE COUNCIL OF REGENTS

The Regent Assessment Committee shall annually review the activities of the Regents, assess the effectiveness of their roles, and recommend any appropriate actions to the Board of Governors and Council of Regents. Actual removal of a member of the Council of Regents from office shall be accomplished by the Council of Regents upon the affirmative vote of two-thirds of the Regents at a meeting of the Council of Regents at which a quorum is present, and in accordance with the procedures adopted from time to time by the Council of Regents; provided, however, that the Board of Governors may temporarily remove an incapacitated Regent in accordance with the procedures adopted from time to time by the Council of Regents.

SECTION 9. PRESIDING OFFICER: COUNCIL OF REGENTS

The Immediate Past-Chairman of ACHE shall preside, without vote, at meetings of the Council of Regents. If the Immediate Past-Chairman is unable to preside, the Chairman shall so preside, without vote, and if the Chairman is unable to preside, the Chairman-Elect shall so preside, without vote. The Secretary of ACHE shall serve as Secretary of the Council of Regents. The Presiding Officer may select a parliamentarian to serve the Council of Regents; the parliamentarian need not be an affiliate of ACHE.

SECTION 10. DUTIES OF REGENTS

The Board of Governors shall determine the individual duties of Regents as individuals not acting as the Council of Regents. Nothing in these individual duties shall be contrary to the powers of the Council of Regents as established in Article V, Section 7.

ARTICLE VI. BOARD OF GOVERNORS

SECTION 1. COMPOSITION

The Board of Governors shall consist of the Chairman, the Chairman-Elect, the Immediate Past-Chairman, twelve Governors elected by the Council of Regents, and the President. The President shall be a member of the Board of Governors without vote. Only Fellows shall serve as Governors. In the event a member of the Council of Regents is elected to the Board of Governors, his or her office as a Regent shall become vacant automatically. The Board of Governors shall appoint an interim Regent pursuant to Article V, Section 4.

SECTION 2. ELECTION, TERM, AND REPRESENTATION

- (a) At each annual meeting of the Council of Regents, Governors shall be elected to succeed those whose terms then expire. At least one Governor shall be a member of the uniformed services/Veterans Affairs.
- (b) The regular term of a Governor shall commence upon the adjournment of the annual meeting of the Council of Regents at which he or she is elected and shall expire upon the close of the annual meeting of the Council of Regents closest to the end of his or her stated term.
- (c) The regular term of a Governor shall be three years.
- (d) No Governor shall be elected to a consecutive term, except that a Governor who fills a vacancy in accordance with Article VI, Section 3.(a) for less than one year shall be eligible

for election to an immediately succeeding full term of three years.

SECTION 3. VACANCIES

- (a) If a Governor resigns his or her office, is elected as Chairman-Elect, is removed, or ceases to be an active Fellow, his or her position shall be considered vacant.

The Board of Governors may fill such a vacancy until the next annual meeting of the Council of Regents, at which time the Council of Regents shall elect a Governor to fill the remainder of the unexpired term. A Governor who leaves the position of employment occupied at the time of election, but continues to function in an acceptable administrative capacity as defined in the *Regulations Governing Admission, Advancement, and Recertification*, which govern eligibility for advancement to Fellow, may continue to serve the remainder of the elected term. Should the Governor representing the uniformed services/Veterans Affairs leave the uniformed services/Veterans Affairs, his or her position shall be considered vacant. The Board of Governors then may fill the vacancy with another member of the uniformed services/Veterans Affairs who shall serve until the next annual meeting of the Council of Regents, at which time the Council of Regents shall elect a Governor from the uniformed services/Veterans Affairs to fill the remainder of the unexpired term.

- (b) In the absence of the Chairman, the Chairman-Elect shall preside at meetings of the Board of Governors, and in the absence of both such Officers, the Immediate Past-Chairman shall so preside.

SECTION 4. MEETINGS

- (a) Meetings of the Board of Governors may be called by the Chairman and shall be called by the Chairman at the request of any four members of the Board. The Board of Governors shall be given at least two days' written notice of a Board meeting.
- (b) A quorum for meetings of the Board of Governors shall be a simple majority of the voting members thereof.
- (c) The act of a majority of the Governors present in person and voting at a meeting at which a quorum is present shall be the act of the Board of Governors, except where otherwise provided by law or these *Bylaws*.

SECTION 5. POWERS

The Board of Governors shall have charge of the property of ACHE, and shall have authority to control and manage the affairs and funds of ACHE.. It shall have all of the powers and authority granted to the Board of Directors under the Illinois General Not-for-Profit Corporation Act, except for those powers granted to the Council of Regents or others under the *Bylaws*.

SECTION 6. REMOVAL FROM MEMBERSHIP ON THE BOARD OF GOVERNORS

The Board of Governors shall annually review its activities and assess the effectiveness of its roles. The Board of Governors shall establish a basis and procedure for the removal of a member of the Board from office, which basis and procedure must be approved by the Council of Regents. As one condition of membership, the Board shall establish and enforce attendance requirements for its members. Although the Council shall give due regard to the intention of the

Board, actual removal of a member of the Board from office shall be accomplished by the Council of Regents upon the affirmative vote of two-thirds of the Regents at a meeting of the Council of Regents at which a quorum is present, in person or by proxy, and in accordance with the Illinois General Not-for-Profit Corporation Act.

SECTION 7. INDEMNIFICATION

- (a) ACHE shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative by reason of the fact that he or she is or was a Governor, Regent, Officer, or employee of ACHE or who is or was serving at the request of ACHE as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding to the full extent authorized by the Illinois General Not-for-Profit Corporation Act. With regard to such actions by or in the right of ACHE, the indemnification provided shall be against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit and as otherwise in accordance with and to the full extent authorized by the Illinois General Not-for-Profit Corporation Act.
- (b) ACHE may purchase and maintain insurance on behalf of any person who is or was a Governor, Regent, Officer, employee, or agent of ACHE or who is or was serving at the request of ACHE as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not ACHE would have the power to indemnify him or her against such liability under the provisions of Article VI, Section 7.
- (c) If ACHE has paid indemnity or has advanced expenses under Article VI, Section 7, to a Governor, Regent, Officer, employee, or agent, the Board of Governors shall report the indemnification or advance in writing to the Council of Regents at or before the next meeting of the Council of Regents.
- (d) The definitions of various terms used in Article VI, Section 7, shall be governed by the Illinois General Not-for-Profit Corporation Act.

SECTION 8. INFORMAL ACTION

Any action required to be taken at a meeting of the Board of Governors or any action which may be taken at a meeting of the Governors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Governors entitled to vote with respect to the subject matter thereof.

SECTION 9. ATTENDANCE BY COMMUNICATIONS EQUIPMENT

Members of the Board of Governors or of any committee of the Board of Governors may participate in and act at any meeting of such Board or committee through the use of a conference telephone or similar communication equipment by means of which all persons participating in the meeting can communicate with each other simultaneously. Participation in such meeting shall constitute

attendance and presence in person at the meeting of the person or persons so participating.

ARTICLE VII. OFFICERS

SECTION 1. COMPOSITION

The Officers of ACHE shall be the Chairman, the Chairman-Elect, the Immediate Past-Chairman, the President (Chief Executive Officer), the Secretary, and the Treasurer, and if necessary, an Assistant Secretary and an Assistant Treasurer. The Chairman, Chairman-Elect, and Immediate Past-Chairman are sometimes referred to in these *Bylaws* as the "Chairman Officers" or the "elected Officers." The President, Secretary, Treasurer, and such other officers appointed by the Board are sometimes referred to in these *Bylaws* as the "appointed Officers." The Chairman Officers of ACHE shall have been duly elected by the Council of Regents. The President, the Secretary, and the Treasurer, and, if and when selected, the Assistant Secretary and Assistant Treasurer shall be Officers appointed by the Board of Governors and shall have such duties as are prescribed by the Board of Governors.

SECTION 2. ELECTION AND TERM OF CHAIRMAN OFFICERS

The Chairman-Elect shall be elected by the Council of Regents and shall be elevated to the positions of Chairman and Immediate Past-Chairman in successive years, ordinarily at the end of the annual meeting of the Council of Regents.

SECTION 3. VACANCIES

- (a) If the Chairman dies or is unable to perform the duties of the office, the Chairman-Elect shall succeed to the office of the Chairman. He or she shall continue to serve as Chairman for the subsequent year. If both the Chairman and Chairman-Elect are unable to perform the duties of their offices, the Board of Governors shall appoint one member of the Board of Governors as Chairman pro tempore to serve the remaining portion of the unexpired term of the Chairman. At the next meeting of the Council of Regents, a Chairman and Chairman-Elect shall then be elected in accordance with the provisions of these *Bylaws*.
- (b) The Board of Governors shall be authorized to fill any vacancy resulting from the death, disability, resignation, or removal of an appointed Officer.

SECTION 4. DUTIES

- (a) The Chairman of ACHE shall preside at meetings of the Board of Governors and shall perform the usual duties incident to the office of Chairman and such other duties as may be prescribed from time to time by the Board of Governors.
- (b) The Immediate Past-Chairman shall preside over the meetings of the Voting Affiliates and the Council of Regents and shall perform such other duties as may be assigned from time to time by the Chairman or by the Board of Governors.
- (c) The Chairman-Elect shall perform the duties of the office of Chairman when the Chairman is unable to do so and carry out such other duties as may be assigned from time to time by the Chairman or by the Board of Governors.
- (d) The Treasurer shall have charge and custody of and shall be responsible for all funds and securities of ACHE. He or she shall

receive and give receipts for monies due and payable to ACHE from any source and shall deposit all such monies in the name of ACHE in such banks or other financial depositories as shall be selected by the Board of Governors. The annual report of the Treasurer shall be based on an audit made by an independent certified public accountant. The duties of the Treasurer shall be subject to such regulations as the Board of Governors may adopt from time to time. The Assistant Treasurer, if any, shall have such duties as determined by the Board of Governors.

- (e) The Secretary shall keep the minutes of the meetings of the Voting Affiliates, the Council of Regents, and the Board of Governors; see that all notices are duly given in accordance with the provisions of these *Bylaws* or applicable statutes; be custodian of ACHE records; keep a register of the post office address of each affiliate; and shall perform the usual duties incident to the office of Secretary and such other duties as may be prescribed from time to time by the Chairman or the Board of Governors. The Assistant Secretary, if any, shall have such duties as determined by the Board of Governors.
- (f) The President of ACHE shall be the Chief Executive Officer, direct the activities of ACHE, and further the policies and programs established by the Board of Governors. Duties and compensation for the President, not inconsistent with these *Bylaws*, shall be prescribed by the Board of Governors.

SECTION 5. REMOVAL OF APPOINTED OFFICERS AND ELECTED OFFICERS

- (a) Any appointed Officer may be removed at any time by the affirmative vote of two-thirds of the Voting Affiliates of the Board of Governors whenever in the judgment of the Board such action will serve the best interests of ACHE. Such removal of an appointed Officer shall not negate the termination provisions under any contract in effect between said Officer and ACHE, if any, which he or she may enjoy.
- (b) Any elected Officer may be removed from office upon the affirmative vote of two-thirds of the Regents at a meeting of the Council of Regents at which a quorum is present. The Board of Governors shall establish a basis and procedure for the removal of an elected Officer from office, which basis and procedure must be approved by the Council of Regents.

SECTION 6. COMPENSATION

The Chairman, Chairman-Elect, and Immediate Past-Chairman shall not receive any remuneration for their services, but may be paid for travel and other out-of-pocket expenses incurred in discharging the official duties of ACHE. Appointed Officers shall be compensated in an amount determined from time to time by the Board of Governors.

SECTION 7. CONTRACTS, CHECKS, AND BONDS

- (a) The Board of Governors may authorize any Officer or agent of ACHE to enter into any contract or execute and deliver any instrument in the name of and on behalf of ACHE; such authority may be general or confined to specific instances.
- (b) All checks, drafts, and other orders for the payment of money, notes, or other indebtedness shall be signed by such Officer or Officers, agent or agents of ACHE, and in such manner as shall be determined and authorized from time to time by the Board of Governors.

- (c) The Board of Governors may determine that certain Officers or agents of ACHE who are responsible for the receipt, custody, or disbursement of funds or other assets of ACHE shall furnish bond; the amount of the bond and designation of the surety or sureties shall be subject to the approval of the Board of Governors, who may authorize the expense of such bond to be paid by ACHE.

ARTICLE VIII. COMMITTEES

SECTION 1. EXECUTIVE COMMITTEE OF THE BOARD OF GOVERNORS

There shall be an Executive Committee of the Board of Governors composed of the Chairman, the Chairman-Elect, the Immediate Past-Chairman, and the President. The President shall be a member without vote. The Chairman of ACHE shall serve as its chairman. The Executive Committee, subject to the restrictions of the Illinois General Not-for-Profit Corporation Act, shall have the power to act or follow up on matters that, in the opinion of the Chairman or the President, require action prior to the next Board of Governors meeting.

SECTION 2. STANDING COMMITTEES

There shall be a Nominating Committee, an Audit Committee and a Finance Committee. Each such committee shall act only in accordance with the Illinois General Not-for-Profit Corporation Act.

(a) THE NOMINATING COMMITTEE

- (i) The Nominating Committee shall consist of Fellows, one each from the administrative districts designated by the Board of Governors pursuant to Article VI, Section 5(f); and ex officio, with vote, the two most recent eligible Past Chairmen. Should one of the Past Chairmen resign or be unable to perform his or her duties, the next most recent eligible Past Chairman shall be appointed to the Nominating Committee. The most senior Past Chairman is to serve as Chairman of the Nominating Committee. Each year, the Council of Regents shall recommend Fellows to fill the vacancies on the Nominating Committee, and the Board of Governors shall appoint the members of the Nominating Committee based on the recommendations of the Council of Regents. The regular term of a member of the Nominating Committee shall be two years, commencing upon the close of the meeting of the Board of Governors at which he or she is appointed and expiring upon the close of the meeting of the Board of Governors at which his or her successor is appointed, approximately two years thereafter. If a member of the Nominating Committee moves from the district he or she was appointed to represent, the member shall fulfill his or her appointed term.

Any member of the Nominating Committee who becomes a candidate for any elected position shall resign from the Nominating Committee.

- (ii) Only active Fellows may serve on the Nominating Committee. Members of the Nominating Committee shall be eligible to serve only one full term in addition to that part of any unexpired term to which they are appointed prior to the full term.
- (iii) The Nominating Committee shall meet in conjunction with the annual meeting of the Council of Regents and at other

times during the year on call by the Chairman to solicit, receive, and consider suggestions of Fellows to be proposed as candidates for the office of Chairman-Elect, the Board of Governors, Regent-at-Large, and the Nominating Committee, and for vacancies occurring in these offices. In proposing candidates for the Board of Governors and other elective offices, the Nominating Committee shall have due regard for fair and equitable geographical and demographic distribution of such candidates.

- (iv) The Nominating Committee slate shall be transmitted directly to the Council of Regents at least 120 days prior to the annual Council of Regents meeting in order to allow sufficient time for additional nominations.

Additional nominations for members of the Nominating Committee may be made from the floor at the annual Council of Regents meeting. Additional nominations for the office of Chairman-Elect may be made in the following manner: Any Fellow may be nominated by written petition of at least fifteen members of the Council of Regents. Additional nominations for the offices of Governor and Regent-at-Large may be made in the following manner: Any Fellow may be nominated by written petition of at least one member of the Council of Regents from the jurisdiction in which the office is vacant. Such nominations must be received in the headquarters office of ACHE at least sixty days prior to the annual meeting of the Council of Regents. Regents shall be notified in writing of nominations at least thirty days prior to the annual meeting of the Council of Regents.

(b) THE FINANCE COMMITTEE

The Finance Committee shall have seven members consisting of the Chairman-Elect, three Governors, and three Regents. The Chairman-Elect shall serve as chairman of the committee. The Governors and Regents shall be appointed by the Board of Governors upon nomination by the Chairman of ACHE. The terms of service shall be for one year, and reappointments may be made from year to year at the discretion of the appointing authority. Interim vacancies shall be filled by the Chairman of ACHE.

The Finance Committee shall be responsible for budgeting, business practices and policies, cash management, financial reporting, investments, planning, and risk management.

(c) THE AUDIT COMMITTEE

The Audit Committee shall have four members appointed by the Board of Governors upon nomination by the Chairman of ACHE. The terms of service shall be for one year, and reappointments may be made from year to year at the discretion of the appointing authority. The Chairman of the Committee shall be designated by the Chairman of ACHE from among Committee members. The Chairman of the committee shall have a term of one year. Interim vacancies shall be filled by the Chairman of ACHE.

The Audit Committee shall be responsible for supervision of the external auditors and other financial supervision requested by the Board of Governors from time to time. The committee shall also recommend, for approval by the Board of Governors, the

retention of a qualified external auditor and monitor the independence and qualification of such external auditor.

SECTION 3. OTHER COMMITTEES

The Board of Governors may establish additional committees. These may be concerned with, but not necessarily limited to, examinations, publications, research, elections, awards, educational policy, and administrative development. Appointment of the members of such bodies shall be made by the Board of Governors upon nomination by the Chairman; the chairmen of such bodies shall be designated by the Chairman of ACHE. Vacancies on standing committees or special committees shall be filled by the Chairman of ACHE with the approval of the Board of Governors. The procedures for the conduct of committees shall be established by the Board of Governors.

SECTION 4. QUORUM

A quorum of any committee of ACHE shall be a simple majority of the voting members thereof. A majority vote of those members who are present and voting at a meeting at which a quorum is present shall be required for approval of any proposal. All members, including the Chairman, shall have voting privileges on ACHE committees, except as otherwise provided herein. However, the chairman of the Nominating Committee shall vote only when there is an even number of members, other than the Chairman, present at the time of the ballot.

SECTION 5. ATTENDANCE BY COMMUNICATIONS EQUIPMENT

Members of any committee may participate in and act at any meeting of such committee through the use of a conference telephone or similar communication equipment by means of which all persons participating in the meeting can communicate with each other simultaneously. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

ARTICLE IX. CHAPTERS

- (a) Chapters of ACHE may be established by charter whenever the Board of Governors may approve, subject to the criteria for chapter status prescribed by the Board of Governors. Chapters of ACHE shall be eligible for benefits as prescribed by the Board of Governors.
- (b) Charters for the operation of chapters may be revoked at any time in such manner and after such investigation as the Board of Governors may deem necessary.
- (c) ACHE's various chapters shall be subject to the terms and conditions set forth in the criteria for chapter status as established by the Board of Governors and as may be amended by the Board of Governors from time to time. All actions and activities of chapters shall be in accordance with the Constitution, *Bylaws*, policies, procedures, and regulations of ACHE (including those relating to federal, state, and local income tax law requirements, if any, anti-trust compliance, membership procedures, disciplinary procedures, and use of trademarks and other intellectual property in which ACHE owns or claims rights). Chapters shall not obligate or otherwise make ACHE responsible for any expenditures, nor shall they make commitments or advance positions on behalf of ACHE unless the making of such expenditures or commitments, or the advancement of such positions, shall first have been approved in writing by an authorized officer of ACHE.

- (d) Chapters are separate legal entities. Chapters shall not be liable for the debts or obligations of ACHE and ACHE shall not be liable for the debts or obligations of Chapters.

ARTICLE X. AMENDMENTS

SECTION 1. AMENDMENTS

- (a) Amendments to these *Bylaws* may be proposed in writing by the Bylaws Committee, the Board of Governors, any member of the Council of Regents, or by any ten Fellows. Such proposals shall be referred to the Bylaws Committee, which shall report the proposals to the Board of Governors along with a recommendation thereon.
- (b) The Secretary shall notify each active Member, Fellow, , and Life Fellow of any changes to these *Bylaws*.

SECTION 2. APPROVAL

These *Bylaws* may be repealed, modified, altered, or amended only upon the affirmative vote of two-thirds of the votes cast at a meeting of the Board of Governors at which a quorum is present.

ARTICLE XI. DISSOLUTION

SECTION 1. DISTRIBUTION OF ASSETS

At any time when the dissolution of the College is authorized, the Board of Governors then holding office shall distribute the assets of ACHE remaining after the payment, satisfaction and discharge, or adequate provision therefore, of all liabilities and obligations of the corporation, in accordance with the requirements of the Illinois General Not-for-Profit Corporation Act, to one or more corporations, societies, or organizations organized and operated not-for-profit within or without the State of Illinois, which, in the judgment of a majority of the Governors in office, shall be deemed to further the field of healthcare management.