

BYLAWS OF

THE AMERICAN ASSOCIATION OF ENDOCRINE SURGEONS FOUNDATION

ARTICLE I CORPORATION

- 1.1 NAME.** The name of the corporation is American Association of Endocrine Surgeons Foundation.
- 1.2 PURPOSES.** The purposes for which the corporation is organized are as follows:
The Corporation is organized exclusively for the purposes set forth in Sections 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law) (the "Code"), including, for such purposes, making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code. The purposes of the Corporation, more specifically, are: receiving, administering, and distributing funds to promote research and education in the field of endocrine surgery, and research and education intended to advance the science and art of endocrine surgery and aid in maintaining high standards in the practice and art of endocrine surgery and related medical and scientific disciplines, and doing anything reasonably in furtherance of, or incidental to, the foregoing purposes as the Board of Directors (Board) may determine to be appropriate and as are not forbidden by Section 501(c)(3) of the Code, with all the power conferred on not for profit corporations under the laws of the State of Illinois.
- 1.3 NOT FOR PROFIT OPERATION.** The corporation shall be operated exclusively for the purposes stated in 1.2 above, and in its articles of incorporation, as an Illinois not for profit corporation. No Director of the corporation shall have any title to or interest in the corporate property or earnings in his or her individual or private capacity and no part of the net earnings of the corporation shall inure to the benefit of any Director, officer, or any individual. No substantial part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, nor shall the corporation participate in or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office.

ARTICLE II MEMBERSHIP

- 2.1 MEMBERSHIP.** The Corporation shall have no members.

ARTICLE III BOARD OF DIRECTORS

- 3.1 BOARD OF DIRECTORS.** The business and affairs of the corporation shall be managed by or under the direction of a Board, which is the governing body of the corporation. The Board shall meet as often as necessary to conduct the business of the corporation.

- 3.2 NUMBER, QUALIFICATIONS, AND SELECTION OF BOARD.** The Board shall consist of no more than 11 Directors in total. A different number of Directors may be established from time to time by amendment of these bylaws; however, in no instance shall the number of Directors be less than five. All Directors shall be members in good standing of the American Association of Endocrine Surgeons. Two of the Directors shall serve by virtue of holding the positions of Treasurer and Chair of the Research Committee of the American Association of Endocrine Surgeons. The remaining Directors shall be elected by majority vote of the Board. The term of office of a Director is three (3) years. A Director may serve two (2) consecutive terms. However, even if a Director's term(s) has expired, he or she shall serve until his or her successor shall have been elected and qualified.
- 3.3 REMOVAL.** One or more Directors may be removed, with or without cause, by the affirmative vote of a majority of Directors then in office present and voting at a meeting of the Board at which a quorum is present. However, no special meeting of Directors may remove a Director unless written notice of the proposed removal is delivered to all Directors at least twenty days prior to such meeting.
- 3.4 VACANCIES.** Vacancies occurring in the Board by reason of death, resignation, removal or other inability to serve shall be filled by the affirmative vote of a majority of the remaining Directors although less than a quorum of the Board. A Director elected by the Board to fill a vacancy shall serve until the next meeting of the Board at which Directors are elected.
- 3.5 REGULAR AND SPECIAL MEETINGS.** Regular meetings of the Board may be held at such times and places as the Directors may from time to time determine at a prior meeting or as shall be directed or approved by the vote or written consent of all the Directors. Special meetings of the Board may be called by the Chair or the Secretary-Treasurer, or upon the written request of any two (2) Directors.
- 3.6 NOTICE OF MEETINGS OF THE BOARD.** Written notice of the time and place of all meetings of the Board shall be given to each Director at least 10 days before the day of the meeting, either personally or by mailing such notice by regular United States Postal Service mail to each Director at the address designated by the Director for such purposes, or if none is designated, at the Director's last known address, or by sending the notice electronically to the address that appears on the records of the corporation for the Director. Notices of special meetings shall state the purpose or purposes of the meeting. Notice of any meeting of the Board may be waived in writing before or after the 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 or convened.
- 3.7 ACTION WITHOUT A MEETING.** Any action required or permitted at any meeting of the Board or a committee thereof may be taken without an meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors and all of any non-Director committee members entitled to vote with respect to the subject matter thereof, or by all the members of such committee, as the case may be.

The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more Directors or committee members. All the approvals evidencing the consent shall be delivered to the Secretary-Treasurer to be filed in the corporate records. The action taken shall be effective when all the Directors or the committee members, as the case may be, have approved the consent unless the consent specifies a different effective date.

Any such consent signed by all Directors or all the committee members, as the case may be, shall have the same effect as a unanimous vote and may be stated as such in any document filed with the Secretary of State under the Illinois General Not for Profit Corporation Act.

- 3.8 QUORUM AND VOTING REQUIREMENTS.** A majority of the Directors then in office and a majority of any committee appointed by the Board constitutes a quorum for the transaction of business. In no event shall a quorum consist of less than one third of the Directors then in office.

The vote of a majority of the Director or committee members present at any meeting at which there is a quorum shall be the act of the Board or the committee, except as a larger vote may be required by the laws of the State of Illinois, these bylaws or the Articles of Incorporation.

Directors or nondirector committee members may participate in and act at any meeting of the Board or committee 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 at such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating. No Director may act by proxy on any matter.

- 3.9 POWERS OF THE DIRECTORS.** The Directors shall have charge, control and management of the business, property, personnel, affairs and funds of the corporation and shall have the power and authority to do and perform all acts and functions permitted for an corporation described in Section 501(c)(3) of the Code not inconsistent with these bylaws, the Articles of Incorporation or the laws of the State of Illinois.

- 3.10 COMPENSATION.** Directors shall receive no compensation for their services on the Board. The preceding shall not, however, prevent the corporation from purchasing insurance as provided in Section 5.1 nor shall it prevent the Board from providing reasonable compensation to a Director for services which are beyond the scope of his or her duties as Director or from reimbursing any Director for expenses actually and necessarily incurred in the performance of his or her duties as a Director.

ARTICLE IV OFFICERS

- 4.1 OFFICERS.** The officers shall be a Chair, a Vice Chair, and a Secretary-Treasurer.

- 4.2 QUALIFICATIONS, ELECTION, AND TERM OF OFFICE.** Officers of the corporation shall be chosen from among the corporation's Directors. The Officers shall each be elected for a three (3) year term. Officers may serve two (2) consecutive terms. Officers of the corporation shall be elected by majority vote of the Board at the meeting at which Directors are elected.

- 4.3 REMOVAL.** Any officer or agent may be removed with or without cause by the Board or other persons authorized to elect or appoint such officer or agent but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create any contract rights.
- 4.4 CHAIR.** The Chair shall preside at Board meetings. The Chair shall serve as an ex-officio member of each committee created by the Board. Successors to vacated offices of the corporation shall be appointed by the Chair until the position is filled at the next annual meeting. The Chair shall annually prepare an address to the Board.
- 4.5 VICE CHAIR.** In the absence or incapacity of the Chair, the position shall be assumed by the Vice Chair.
- 4.6 SECRETARY-TREASURER.** The Secretary-Treasurer shall keep minutes of the corporation and the Board, receive and care for all records belonging to the corporation, and conduct the correspondence of the corporation. This office will issue to all Directors a written report of the preceding year's transactions to be read to the Board at the annual meeting. The Secretary-Treasurer will prepare an annual report for audit. The Secretary-Treasurer shall have the authority to certify the bylaws, resolutions of the Board and committees thereof, and other documents of the corporation as true and correct copies thereof.

ARTICLE V INDEMNIFICATION

- 5.1 INDEMNIFICATION.** Each person who is or was a Director, officer or member of a committee of the corporation and each person who serves or has served at the request of the corporation, as a Director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise may be indemnified by the corporation to the fullest extent permitted by the corporation laws of the State of Illinois as they may be in effect from time to time. The corporation may purchase and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the corporation would have power to indemnify such person against such liability under the preceding sentence. The corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee or agent of the corporation to the fullest extent provided under the laws of the State of Illinois as they may be in effect from time to time.

ARTICLE VI COMMITTEES

- 6.1 COMMITTEES.** A majority of the Directors may create one or more committees and appoint Directors or such other persons as the Board designates, to serve on the committee or committees. Each committee shall have two or more Directors, a majority of its membership shall be Directors, and all committee members shall serve at the pleasure of the Board. However, committees appointed by the Board relating to the

election, nomination, qualification, or credentials of Directors or other committees involved in the process of electing Directors may be composed entirely of nondirectors.

Unless the appointment by the Board requires a greater number, a majority of any committee shall constitute a quorum, and a majority of committee members present and voting at a meeting at which a quorum is present is necessary for committee action. A committee may act by unanimous consent in writing without a meeting, and the committee, by majority vote of its members, shall determine the time and place of meetings and the notice required therefore.

To the extent specified by the Board or in the articles of incorporation or bylaws, each committee may exercise the authority of the Board; however, a committee may not:

- (1) Adopt a plan for the distribution of the assets of the corporation, or for dissolution;
- (2) Fill vacancies on the Board or on any of its committees;
- (3) Elect, appoint or remove any officer or Director or member of any committee, or fix the compensation of any member of a committee;
- (4) Adopt, amend, or repeal the bylaws or the articles of incorporation;
- (5) Adopt a plan of merger or adopt a plan of consolidation with another corporation, or authorize the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the corporation; or
- (6) Amend, alter, repeal or take action inconsistent with any resolution or action of the Board when the resolution or action of the Board provides by its terms that it shall not be amended, altered or repealed by action of a committee.

The Board may create and appoint persons to a commission, advisory body or other such body which may or may not have Directors as members, which body may not act on behalf of the corporation or bind it to any action but may make recommendations to the Board or to the officers.

ARTICLE VII CONFLICT OF INTEREST POLICY

7.1 PURPOSE. The purpose of this conflict of interest policy is to protect this corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to not for profit and charitable organizations.

7.2 DEFINITIONS.

- A. Interested Person. Any Director, principal officer, or member of a committee with governing Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- B. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
 - b. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or

- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.
- d. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- e. A financial interest is not necessarily a conflict of interest. Under Article VII, Section 7.3 B, a person who has a financial interest may have a conflict of interest only if the appropriate governing Board or committee decides that a conflict of interest exists.

7.3 PROCEDURES.

A. Duty to Disclose

- a. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees with governing Board delegated powers considering the proposed transaction or arrangement.

B. Determining Whether a Conflict of Interest Exists

- a. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. Similarly, any other interested persons with a possible conflict of interest pertaining to a financial interest shall also leave the meeting.
- b. The chairperson of the governing Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the remaining members of the governing Board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy

- a. If the governing Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall

inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

7.4 RECORDS OF PROCEEDINGS. The minutes of the governing Board and all committees with Board delegated powers shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing Board's or committee's decision as to whether a conflict of interest in fact existed.
- B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

7.5 COMPENSATION.

- A. A voting member of the governing Board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation and on voting on other members' compensation.
- B. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation and on other members' compensation.
- C. No voting member of the governing Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

7.6 ANNUAL STATEMENTS. Each Director, principal officer and member of a committee with governing Board delegated powers shall annually sign a statement which affirms such person:

- A. Has received a copy of the conflicts of interest policy,
- B. Has read and understands the policy,
- C. Has agreed to comply with the policy, and
- D. Understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

- 7.7 PERIODIC REVIEWS.** To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
 - B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- 7.8 USE OF OUTSIDE EXPERTS.** When conducting the periodic reviews as provided for in Section VII, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing Board of its responsibility for ensuring periodic reviews are conducted.

VIII AMENDMENTS

- 8.1 AMENDMENTS.** These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by a majority of the Directors present at any annual or regular meeting or at any special meeting, if proper written notice is given of intention to alter, amend or repeal or to adopt new Bylaws at such meeting.

IX BOOKS AND RECORDS

- 9.1 BOOKS AND RECORDS.** The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and committees having any of the authority of the Board, and shall keep at the registered or principal office a record giving the names and addresses of the Directors. All books and records of the corporation may be inspected by any Director, or his or her agent or attorney for any proper purpose at any reasonable time.

X PARLIAMENTARY AUTHORITY

- 10.1 PARLIAMENTARY AUTHORITY.** The rules of parliamentary procedure in "Robert's Rules of Order, Revised", shall govern the proceedings of the meetings of this corporation, subject to all other rules contained in the Articles of Incorporation and Bylaws and except that proxy voting shall be allowed in accordance with the Act.

XI SEVERABILITY

11.1 SEVERABILITY. Each of the sections, subsections and provisions hereof shall be deemed and considered separate and severable so that if any section, subsection or provision is deemed or declared to be invalid or unenforceable, this shall have no effect on the validity or enforceability of any of the other sections, subsections or provisions.