

**BYLAWS OF
SOCIETY OF CORPORATE COMPLIANCE AND ETHICS & HEALTH CARE
COMPLIANCE ASSOCIATION**

This instrument constitutes the Bylaws of Society of Corporate Compliance and Ethics & Health Care Compliance Association, (the “corporation”) a Minnesota nonprofit corporation, adopted for the purpose of regulating and managing the internal affairs of the corporation.

**ARTICLE I
PURPOSES**

The purposes of the corporation are to promote the professional practices of corporate compliance and ethics and health care compliance, to be a recognized leader in the professions of corporate compliance and ethics and health care compliance, and to provide high quality, relevant training to professionals and others practicing in the areas of corporate compliance and ethics and health care compliance. In pursuing such purposes, the corporation shall act so as to maintain its eligibility for federal income tax exemption under Section 501(c)(6) of the Internal Revenue Code of 1986 as amended.

**ARTICLE II
MEMBERS**

The corporation exists to serve its members through the provision of high quality relevant training to professionals and others practicing in the areas of corporate compliance and ethics and health care compliance. The members of the corporation shall be non-voting members without the right to vote with respect to the affairs of the corporation. The procedures and rules relating to membership and benefits of the corporation’s non-voting members shall be as set forth in policies approved by the Board of Directors. Throughout these Bylaws, the term “member” and “members” shall refer to the non-voting members of the corporation.

**ARTICLE III
BOARD OF DIRECTORS**

Section 3.1. Management. The business and charitable affairs of the corporation shall be managed by or under the direction of a Board of Directors.

Section 3.2. Number, Qualifications, Composition of Board. The Board of Directors shall consist of not fewer than three (3) and not more than eighteen (18) persons, including the officers of the corporation as described in these Bylaws. Each director shall be an adult who is a member of the corporation with a demonstrated interest in compliance and/or ethics.

Section 3.2.1. Election of Directors. Directors shall be elected by the Board of Directors of the corporation from a slate of candidates put forward by the Nominating Committee. The Nominating Committee will coordinate the annual Board election process. A call for director nominees will be distributed to the members in advance of the Board selection process. The Nominating Committee will identify a slate of

nominees for election to the Board of Directors. The Nominating Committee shall do its best to ensure that the slate of candidates represent the diversity of professions served by the corporation. The slate will be proposed to the full Board of Directors, who shall vote with respect to the nomination of each person separately. Nominees may be elected to the Board of Directors by a simple majority of the directors present at a duly held meeting.

Section 3.3. Terms of Directors. Directors shall serve for a term of three (3) years each, and shall be so elected that approximately one-third (1/3) of the directors within each group of directors is elected each year. Unless otherwise provided by the Board, a director's Board term begins November 1st following the fall Board meeting at which the director is elected. There is no limit on the number of consecutive terms directors may serve.

Section 3.4. Quorum. At all meetings of the Board of Directors a majority of the directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business.

Section 3.5. Number Required for Action by Directors. All directors have the right to vote with respect to matters brought before the Board. Except where otherwise required by law, the Articles, or these Bylaws, the affirmative vote of a majority of the directors present at a duly held meeting, participating in a meeting via electronic communication, or voting via written action shall be sufficient for any action. Voting by proxy is not allowed.

Section 3.6. Written Action. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken by written action signed or consented to by authenticated electronic communication by the number of directors required to take the same action at a meeting at which all directors were present. The written action is effective when signed or consented to by the required number of directors unless a different effective date is provided in the written action. When written action is taken by less than all of the directors, all directors shall be notified immediately of its text and effective date, except that failure to provide such notice does not invalidate the written action.

Section 3.7. Board Meetings. The Board of Directors shall have regular meetings at such places and times as it shall establish.

Section 3.8. Notice. Directors shall be given at least five (5) days' notice of the date, time and place of Board meetings; provided, however, that if the day, time and place of a Board meeting have been announced at a previous meeting of the Board, notice is not required.

Section 3.9. Special Meetings. Special meetings of the Board of Directors may be called at any time upon request of the President, or any two (2) directors, provided that any such request shall specify the purpose or purposes for the meeting. The President shall set the date for the special meeting within three (3) working days of making or receiving such a request and shall give not fewer than five (5) nor more than thirty (30) days' written notice of the time, place and purpose of such special meeting.

Section 3.10. Place of Meetings. The Board of Directors and committees of the Board may hold their meetings at any place they may designate, whether in or out of the state of Minnesota.

Section 3.11. Electronic Communications. A conference among directors or among members of a committee by a means of communication through which the directors or committee members may simultaneously hear each other during the conference is a meeting of the Board of Directors or committee if the same notice is given of the conference as would be required for a meeting, and if the number of directors or committee members participating in the conference is a quorum. A director or committee member may participate in a meeting of the Board of Directors or a committee of the Board by any means of communication through which the person, other persons so participating, and all persons physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by any of the above-mentioned means is personal presence at the meeting.

Section 3.12. Form of Notice. Whenever, under the provisions of these Bylaws, notice is required to be given to any director or committee member, notice is given:

- (a) when mailed to the person at an address designated by the person or at the last known address of the person;
- (b) when communicated to the person orally;
- (c) when handed to the person;
- (d) when left at the office of the person;
- (e) when sent by facsimile, electronic mail, or other electronic means, to a facsimile number, electronic mail address, or other electronic designation at which the person has consented to receive official notices from the corporation; or
- (f) when the method is fair and reasonable when all the circumstances are considered.

Notice by mail is given when deposited in the United States mail with sufficient postage. Notice is considered received when it is given.

Section 3.13. Waiver of Notice. Any director may execute a written waiver of notice of any meeting required to be given by statute or by any provision of these Bylaws either before, at, or after that meeting, and such waiver when signed and filed as hereinafter provided shall be equivalent to notice. Such waiver shall be filed with the President, who shall enter it upon the minutes or other records of that meeting. Appearance at a Board of Directors meeting by a director shall be deemed a waiver of notice thereof, unless the appearance is solely for the purpose of asserting the illegality of the meeting.

Section 3.14. Resignation of Directors. A director may resign at any time by giving written notice to the President of the corporation. The resignation is effective without acceptance when the notice is given to the corporation, unless a later effective time is specified in the notice.

Section 3.15. Removal of Directors. A director may be removed from office, with or without cause, by a majority of all of the directors of the corporation; provided that not fewer than five (5) days' and not more than thirty (30) days' notice of such meeting stating that removal of such director is to be on the agenda for such meeting shall be given to each director.

Section 3.16. Filling Vacancies. Except as provided in these Bylaws, in the event of the death, removal or resignation of a director, or a vacancy caused by an increase in the number of directors, a person to fill the remaining or new term shall be elected by the Board of Directors. If the position of the President becomes vacant, the First Vice-President shall succeed for the remainder of the term and remain in office for the full term of his or her Presidency thereafter.

ARTICLE IV COMMITTEES

Section 4.1. Committees. The Board of Directors shall establish an Executive Committee, a Nominating Committee, a Finance, Compliance & Audit Committee, and a Compensation Committee. The Board may establish one or more additional committees having the authority of the Board in the management of the business of the corporation to the extent determined by the Board. Meetings of a committee may be called, from time to time, upon request of the President, the chair of the committee or any two (2) committee members. Notice requirements shall be the same as for meetings of the Board of Directors.

Section 4.2. Powers. A Committee of the Board shall have the authority provided to it by the Board of Directors. No Committee shall have the power or authority to fill vacancies of directors, adopt, amend or repeal the Articles or Bylaws of this corporation, amend or repeal any resolution of the Board, or act on matters committed by the Bylaws or by resolution of the Board to another Committee of the Board.

Section 4.3. Advisory Boards. The Board may establish advisory boards that may include as members persons who are not directors. Such advisory boards will not have the power or authority of the Board and may not bind the corporation or the Board. Advisory boards shall have such responsibilities and duties as delegated to them by the Board or the President.

Section 4.4. Appointment. Except as otherwise provided in these Bylaws, the President shall appoint all members of Board-created committees and advisory boards. Members of a committee need not be directors and shall hold such office for a term of one (1) year from their appointment or until their successors are appointed, whichever occurs first.

Section 4.5. Executive Committee. The Executive Committee shall have the power to act on behalf of the Board between meetings of the Board. The Executive Committee shall consist of the President, the Immediate Past President, the Vice-Presidents, the Secretary, the Treasurer and one non-officer director who shall be elected annually by the non-officer directors.

Section 4.6. Nominating Committee. The Nominating Committee shall have such powers and duties as delegated by the Board, including the nomination of persons for director

positions. The Nominating Committee will consist of no fewer than six (6) members. At least one member of the committee shall be a director.

Section 4.7. Finance, Compliance & Audit Committee. The Finance, Compliance & Audit Committee shall have such powers and duties as delegated by the Board, including arranging for an annual audit of the corporation. The Finance, Compliance & Audit Committee shall consist of the President, Treasurer and two (2) additional members of the Board or members.

Section 4.8. Compensation Committee. The Compensation Committee shall have such powers and duties as delegated by the Board, including annual recommendations to the Executive Committee with respect to compensation paid to any director or officer of the corporation and the CEO. The Compensation Committee shall consist of the President and two (2) non-officer members of the Board or members.

ARTICLE V OFFICERS

Section 5.1. Election of Officers. The corporate officers shall be a President, a Vice-President, a Second Vice-President, an Immediate Past President, a Past President, a Secretary, a Treasurer, and such other officers as the Board of Directors may, from time to time, appoint. The corporate officers are elected by the directors. The President, Vice-Presidents, Past Presidents and Secretary shall be directors. The Treasurer may but need not be a director. The CEO is a staff officer who is not a director, and serves at the pleasure of the Board of Directors. The Immediate Past President, President, Vice President and Second Vice-President automatically succeed to the positions of Past President, Immediate Past President, President and Vice-President in turn and without the need to stand for reelection in either their officer or director role.

Section 5.2. Duties of Officers. The duties of the officers of this corporation shall be:

Section 5.2.1. President. The President shall preside at all meetings of the Board of Directors and shall oversee the long term goals and purposes of the corporation. The President is an ex-officio, voting member of every committee of the Board. He or she shall also perform such other duties as may be determined from time to time by the Board of Directors.

Section 5.2.2. Vice-Presidents. The Vice-Presidents shall perform such duties as may be determined from time to time by the Board of Directors. The Vice-President shall be vested with all powers of and perform all the duties of the President in the President's absence or inability to act, but only so long as such absence or inability continues. The Second Vice-President shall perform such duties in the absence of the President and the Vice-President.

Section 5.2.3. Past Presidents. Immediately following a person's term as President, such person shall serve as a director for a period of two years without the need

to stand for reelection so that such person can serve as Immediate Past President and Past President in turn each for one year. The Immediate Past President and Past President shall serve as a director with the right to vote on all matters brought before the Board and shall provide counsel and assistance to the President and perform special assignments and such other duties as the President or Board may authorize and determine. The Immediate Past President shall serve as a voting member of the Executive Committee. The Past President does not serve on the Executive Committee.

Section 5.2.4. Secretary. The Secretary shall ensure that minutes of Board meetings are kept, that notices are given to directors as required by these Bylaws, shall prepare any necessary certified copies of corporate records, and shall perform such other duties as may be determined from time to time by the Board of Directors.

Section 5.2.5. Treasurer. The Treasurer shall be responsible for the financial affairs of the corporation and for the deposit and disbursing of corporate funds as authorized by the Board. The Treasurer shall provide an accounting of the corporation's finances to the Board as requested by the President, and shall perform such other duties as may be determined from time to time by the Board of Directors

Section 5.2.6. Chief Executive Officer. The CEO shall be the Chief Executive Officer of the corporation, shall be responsible for the day to day operations of the corporation, and except for presiding at meetings of the Board, shall have all of the powers and duties normally belonging to the President of a Minnesota nonprofit corporation.

Section 5.3. Terms. The corporate officers shall serve one-year terms beginning November 1st of the year immediately following the officers' election. Corporate officers shall serve until their successors have been elected and taken office.

Section 5.4. Resignation of Officers. An officer may resign at any time by giving written notice of the resignation to the President.

Section 5.5. Removal of Officers. An officer may be removed, with or without cause, by the affirmative vote of a majority of all directors of the corporation.

Section 5.6. Filling Vacancies. Except as otherwise provided in these Bylaws, any vacancy in an office shall be filled by the Board of Directors. In the event of a vacancy in the office of the President, the Vice President shall immediately succeed to the office for the remainder of the existing term. In the event of a vacancy in the office of the Vice President, the Second Vice President shall immediately succeed to the office for the remainder of the existing term.

ARTICLE VI
STANDARD OF CARE AND
CONFLICTS OF INTEREST

Section 6.1. Standard of Care. It is the responsibility of each director and officer of this corporation to discharge his or her duties as a director in good faith, in a manner the director reasonably believes to be in the best interests of this corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

Section 6.2. Conflicts of Interest. A contract or other transaction between this corporation and:

- (a) one or more of its directors, or officers, or a member of the family of a director or officer;
- (b) a director of a related organization, or a member of the family of a director of a related organization; or
- (c) an organization in or of which one or more of the corporation's directors or officers or a member of the family of the director or officer are directors, officers or legal representatives or have a material financial interest,

is not void or voidable because the director or director(s) or officer(s) or the other individual or organization are parties or because the director(s) or officer(s) are present at the meeting of the Board of Directors or a committee of the Board of Directors at which the contract or transaction is authorized, approved or ratified, if:

- (a) the contract or transaction was, and the person asserting the validity of the contract or transaction sustains the burden of establishing, that the contract or transaction was, fair and reasonable as to the corporation at the time it was authorized, approved or ratified; or
- (b) the material facts as to the contract or transaction and as to the director's or officer's interest are fully disclosed or known to the Board or a committee, and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a majority of the Board or committee, but the interested director or directors shall not be counted in determining the presence of a quorum and shall not vote.

For the purpose of this Section:

- (a) a director does not have a material financial interest in a resolution fixing the compensation of the director or fixing the compensation of another director as a director, officer, employee or agent of the corporation, even though the first director is also receiving compensation from the corporation; and
- (b) a "member of the family" of the director or officer includes the spouse, parents, children and spouses of children, brothers and sisters or spouses of brothers and sisters of the director or officer, or any combination of them.

ARTICLE VII
FINANCE

Section 7.1. Receipts. Any dues, contributions, grants, bequests or gifts made to the corporation shall be accepted or collected only as authorized by the Board of Directors.

Section 7.2. Deposits. All funds of the corporation shall be deposited to the credit of the corporation under such conditions and in such banks as shall be designated by the Board of Directors.

Section 7.3. Contracts; Orders for Payment. All contracts, checks and orders for the payment, receipt or deposit of money, and access to securities of the corporation shall be as provided by the Board of Directors.

Section 7.4. Annual Budget. The annual budget of estimated income and expenses shall be approved by the Board of Directors.

Section 7.5. Fiscal Year. The fiscal year of the corporation shall be the calendar year.

ARTICLE VIII
INDEMNIFICATION

To the full extent permitted by the Minnesota Nonprofit Corporation Act, as amended from time to time, or by other applicable provisions of law, each 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, wherever and by whomsoever brought (including any such proceeding, by or in the right of the corporation), whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the corporation, or he or she is or was serving at the specific request of the Board of Directors of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the corporation by the affirmative vote of a majority of the directors present at a duly held meeting of the Board of Directors for which notice stating such purpose has been given against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided, however, that the indemnification with respect to a person who is or was serving as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall apply only to the extent such person is not indemnified by such other corporation, partnership, joint venture, trust or other enterprise. The indemnification provided by this Article shall inure to the benefit of the heirs, executors and administrators of such person and shall apply whether or not the claim against such person arises out of matters occurring before the adoption of this provision of the Bylaws.

ARTICLE IX
AMENDMENT OF BYLAWS

The Board of Directors may from time to time adopt, amend or repeal any of the Bylaws of this corporation. Written notice of the meeting and of the proposed amendment shall be given to each director not fewer than five (5) nor more than thirty (30) days before any meeting of the Board of Directors at which an amendment of the Bylaws is to be adopted.

--END OF BYLAWS--

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