

**Association of Insolvency and Restructuring Advisors  
a Virginia nonstock corporation**

**AMENDED AND RESTATED BYLAWS**

**ARTICLE I**

**Name and Purpose**

Section 1.     Name. The name of the corporation shall be the Association of Insolvency and Restructuring Advisors (the “**Association**”).

Section 2.     Purpose. The purposes of the Association are generally (1) to unite and support appropriate professionals providing business turnaround, restructuring and bankruptcy services, (2) as necessary, to develop, promote and maintain professional standards of practice through various means, including, without limitation, a certification program, (3) to encourage relations with counterparts in other countries, and (4) to perform those certain specified objectives as set forth in Article VIII of these Bylaws.

**ARTICLE II**

**Members**

Section 1.     Membership. Membership in the Association shall be open to financial advisors, accountants, crisis managers, business turnaround consultants, lenders, investment bankers, attorneys, trustees and other individuals involved in the fields of business turnaround, restructuring, bankruptcy and insolvency.

Section 2.     Admission to Membership. Admission to membership for the then current calendar year may only be obtained by fully completing the application accompanied by the payment of dues for one year. The Association’s officers and staff will review the application for completeness and prepare a ballot requesting action by the Board of Directors of the Association (the “**Board**”). The ballot shall then be acted on by the Board and, upon favorable action, the applicant will then become a member entitled to all benefits of members of the Association.

Section 3.     Other Professional Licenses. The membership application specified above in Section 2 shall require the disclosure to the Association by the prospective member of each professional license held by such prospective member. Upon admission, each member undertakes and shall have a continuing obligation to immediately notify the Association of any changes with respect to each such professional license, including, without limitation, the addition, abandonment, revocation or suspension of any such professional license.

Section 4.     Automatic Suspension of Membership. A member’s membership shall be automatically suspended upon the occurrence of any one of the following:

- (a) Failure by such member to pay dues to the Association within 30 days after the date when such dues are due and payable;
- (b) Suspension of such member's certification (a "***CIRA or CDBV Certificate***") from the Association's Certified Insolvency and Restructuring Advisor or Certification in Distressed Business Valuation programs other than for the purpose of failure to comply with the continuing education requirements; or
- (c) Suspension of any professional license held by such member other than for the failure by such member to pay dues or comply with any continuing education requirements.

Any such suspension from membership in the Association shall terminate and the member shall be automatically reinstated upon the full payment of dues due and payable to the Association or the reinstatement of such member's CIRA or CDBV Certificate or professional license, as the case may be.

Section 5. Automatic Termination of Membership. A member's membership will be automatically revoked and terminated upon the occurrence of any one of the following:

- (a) Revocation of such member's CIRA or CDBV Certificate;
- (b) Revocation of any professional license held by such member; and
- (c) The conviction of such member for a felony.

Section 6. Suspension or Termination of Membership by Board Action. The Board, by a unanimous vote of those present (but excluding the member who is to be considered if such member is a director) and voting at a legally constituted meeting, may suspend or expel a member for (1) failure to comply with these Bylaws, (2) failure to comply with the Association's Code of Ethics, or (3) conduct prejudicial to the best interests of the Association. Before a vote on suspension or expulsion by the Board, a member shall be entitled to an opportunity for a hearing at such a meeting of the Board on the reasons for the suspension or expulsion, except that no hearing shall be required if the member fails to attend the meeting. The notice to the Board for any such meeting shall specifically state that the suspension or expulsion of the member will be considered at the meeting.

Section 7. Effect of Suspension. Until reinstated (whether automatically or by a vote of the Board, as the case may be), a suspended member shall not be entitled to any right or benefit of membership in the Association, including, without limitation, the right to have such member's name listed in the Association's directory.

Section 8. Effect of Termination. A terminated and expelled member shall not be entitled to any right or benefit of membership in the Association, including, without limitation, the right to have such member's name listed in the Association's directory.

Section 9. Transfer of Membership. Membership in the Association is not transferable.

Section 10.    Enforcement of Bylaws. The Association may take legal action against a member to collect unpaid dues and to enforce these Bylaws.

Section 11.    Liability of Members. No member of the Association shall be personally liable for any of its debts, liabilities or obligations, nor shall any member be subject to any assessment other than dues, if any, except as authorized by the Board.

Section 12.    Annual Meeting. There shall be an annual meeting of members (the “***Annual Conference***”) of the Association. The Annual Conference shall be held during the months of May or June, or at such other time as determined by the Board, and may be held at such place either in or out of the Commonwealth of Virginia as may be provided in a notice of meeting, consistent with these Bylaws.

Section 13.    Voting. No member shall have any voting rights or at any time have the right to vote on any matter regarding the business affairs or operations of the Association, and no meeting of the members shall at any time be called or held for such purpose.

Section 14.    Notice. A written notice of the Annual Conference of members shall be given to each member at the address as it appears on the membership records of the Association, not less than 10 nor more than 60 days before the date of the meeting, by or at the direction of the President, Secretary or the officer or persons calling the meeting. The notice so given shall state the date, time and place of the Annual Conference. If mailed, notice shall be deemed to be delivered when deposited in the U.S. mail addressed to the member at his address as it appears on the membership records of the Association, with postage thereon prepaid. If a meeting is adjourned to a different date, time and place, notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before adjournment is taken.

### ARTICLE III

#### **Membership Dues and Association Funds**

Section 1.    Dues. Dues shall be required annually for membership in the Association and shall be determined and assessed at the discretion of the Board.

Section 2.    Use of Funds. Funds of the Association shall be used to pay for ordinary operating expenses of the Association, and such other expenses that are deemed by the Board as being for the promotion and betterment of the Association.

Section 3.    Collection of Funds. The Treasurer of the Association shall have authority to collect dues required to be paid hereunder. In addition, the Treasurer may delegate to the Executive or Administrative Director the collection of dues, disbursements of funds, maintenance of financial records and books and such other business of the Association as deemed appropriate. An annual report will be prepared by the Treasurer and distributed to the membership within 90 days after the end of the Association’s fiscal year. Any other financial reports, as deemed necessary by the Board from time to time, will also be prepared by the Treasurer and distributed to the membership.

## ARTICLE IV

### **Board of Directors**

Section 1. Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of, the Board.

Section 2. Number of Directors. The Association shall be governed by a board of directors composed of at least 15 but not more than 40 directors. Directors must be natural persons who are at least 18 years of age and members of the Association, but need not be residents of the Commonwealth of Virginia. The majority of the directors on the Board must have a CIRA Certificate.

Section 3. Term and Election. Directors shall each serve for a term of three years, or such less term as the Board may determine, or until their successors are duly elected and shall have qualified. Directors may serve an unlimited number of terms, whether or not consecutive. Directors shall be elected by majority vote at a meeting of the Board.

Section 4. Vacancies. Should any vacancy occur on the Board, then such vacancies may be filled by the Board.

Section 5. Removal. The Board shall have the right to remove a director, with or without cause, upon a majority vote at a meeting of the Board called for the specific purpose of removing such director. The meeting notice shall state that the purpose, or one of the purposes, of the meeting is removal of the director.

Section 6. Responsibilities of the Board. The responsibilities of the Board shall include, but not be limited to:

- (a) Approving the annual budget for the Association;
- (b) Establishing committees, programs and other Association activities;
- (c) Reviewing and approving plans and proposals submitted by any committees created by the Board; and
- (d) Fixing and approving any material expenditures not otherwise provided for under a previously approved annual budget of the Association.

Section 7. Meetings. There shall be regular meetings of the directors to be held from time to time at such place, either in or out of the Commonwealth of Virginia, as may be provided in a notice of meeting, consistent with these Bylaws. Special meetings of the Board may be called by the President, or if he is absent or unable or refuses to act, then by any two directors.

Section 8. Notice. Notice of regular meetings of the Board may be given but is not required, although it is expected that all directors shall be kept apprised of regular Board meeting

dates. Notice of the date, time and place of special meetings shall be given at least 10 days before the meeting date in the manner provided by law, to include by electronic means of communication. A notice of any special meeting shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice and matters germane thereto. Attendance at or participation in a meeting waives any notice requirement unless the director, at the beginning of the meeting or promptly upon his arrival, objects to holding such meeting or transacting business at such meeting and does not vote for or give assent to action taken at such meeting.

Section 9. Quorum. The act of a majority of the directors present at a meeting at which a quorum is present, with a quorum consisting of 51% of the then fixed or prescribed number of directors, shall be the act of the Board.

Section 10. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if the action is taken with the written consent of all members of the Board (or of the committee of the Board). The action must be evidenced by one or more written consents describing the action to be taken and signed by each director (or committee member), which consent(s) shall be filed in the minutes of the proceedings of the Board. The action taken shall be deemed effective when the last director signs the consent, unless the consent specifies otherwise.

Section 11. Committees. The Board, by resolution, may designate from among its members an executive committee and one or more other committees each of which must have at least two members and, to the extent provided in the designating resolution, shall have and may exercise all the authority of the Board, except such authority as may be reserved to the Board under the Virginia Nonstock Corporation Act. The Board, by resolution adopted in accordance with this Section 11, may designate one or more directors as alternate members of any such committee who may act in the place and stead of any absent member or members at any meeting of such committee.

Section 12. Executive Committee. Upon designation and to the extent specified by the Board, an Executive Committee may exercise the general authority of the Board for day-to-day oversight of the Association's activities, except that the Executive Committee may not (i) amend the Association's Articles of Incorporation, as amended, (ii) adopt, amend or repeal the Bylaws, (iii) approve a plan of merger or a sale of substantially of the Association's assets, or (iv) take any action inconsistent with those matters addressed by these Bylaws.

Section 13. Emeritus Director. The Board may elect to have former members of the Board be granted Emeritus Status as Directors Emeritus. An Emeritus Director may attend Board meetings, but shall not be entitled to vote at such meeting. An Emeritus Director shall not count as a Director for purposes of Section 2 of this Article.

Section 14. Chapters. Upon designation and to the extent specified by the Board, a Chapter may exercise the general authority of the day to day oversight of the association activities in the designated area. The Board by resolution, adopted by this Section 14, will approve the Chapter's

Bylaws. As part of the Chapter Bylaws, the Vice President designated by the Board, shall be a director of the Chapter Board.

## ARTICLE V

### Officers

Section 1.     General. The officers of the Association shall be a President, Chairman, President-Elect, Vice Presidents, Secretary, Treasurer and such other officers as may be designated from time to time by the Board.

Section 2.     Election, Term of Office. Officers shall be elected by the Board. Unless otherwise determined when the officer is elected, each officer shall serve for one year or until his successor has been elected; provided that any officer may be removed from office at any time for any reason, with or without cause, by a majority vote of the Board.

Section 3.     President. The President shall (i) be a member of the Board and the Chief Executive Officer of the Association, (ii) arrange, attend and preside at all meetings of the Board or its members, and shall perform the duties usually devolving upon a presiding officer at all such meetings, (iii) exercise general supervision over the property, business and affairs of the Association and shall determine that its governing provisions are observed and enforced, and (iv) do everything necessary to discharge all duties incident and customary to such office, having always in mind the welfare, purposes and standing of the Association. Additionally, the President or, in his absence, the President-Elect, shall exercise such supervision over the Association's affairs as may be required to ensure that the Association is functioning in accordance with these Bylaws, with the policies and resolutions of the Board and in accordance with its stated exempt purposes under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (the "*Code*").

Section 4.     President-Elect. The President-Elect, (A) in the absence, disability or death of the President, shall (i) act in the capacity of the President and (ii) shall have and exercise all the above specified powers of the President, and (B) shall otherwise perform such other duties as may be prescribed by the President or the Board.

Section 5.     Chairman. The Chairman will be the most recent past president. The Chairman (i) shall advise and assist the President in the performance of his duties and (ii) shall perform such other duties as may be prescribed by the President or the Board.

Section 6.     Vice Presidents. The Vice Presidents shall perform the duties as may be prescribed by the President or the Board.

Section 7.     Secretary. The Secretary shall (i) keep the minutes of all meetings of the members and of the Board and be responsible for the records of the Association, (ii) have charge of the seal of the Association, (iii) maintain a roster of members, officers and directors, including their terms and the expiration dates thereof, (iv) prepare and dispatch Board correspondence, and (v) perform such other duties as may pertain to such office and as the President or Board may

from time to time prescribe. The Secretary shall deliver to his successor within one month after the expiration of such Secretary's term, including expiration upon such Secretary's removal, resignation or otherwise, all books, records and property of the Association in his possession.

Section 8. Treasurer. The Treasurer shall (i) collect and disburse funds, (ii) deposit funds in the bank account of the Association, (iii) disburse or invest monies as authorized by the Board, (iv) keep records of receipts and disbursements, (v) assist the President in preparing and submitting financial reports and budgets to the Board and the members, and (vi) shall perform such other duties as are incident and customary to the office or as may be prescribed by the President. The Treasurer may use the facilities of a bank to assist in collection and handling of fees and dues, and filing required state and federal annual reports or tax returns. The Treasurer is required, at the regular meeting of the Board immediately following the filing of the Association's annual federal and state income tax returns, to furnish to the Board a copy of such tax returns for the most recent fiscal year, and evidence of timely filing thereof. The Treasurer may enlist, at the Treasurer's sole option and discretion, the assistance and resources of any Board member to assist in carrying out this tax return filing responsibility. The Treasurer shall deliver to his successor within one month after the expiration of such Treasurer's term, including expiration upon such Treasurer's removal, resignation or otherwise, all books, records of the Association and property in his possession and a supplemental report to the Board of all transactions of the Association from the date of such Treasurer's last annual report to the Board to the expiration of such Treasurer's term.

Section 9. Association Property. Upon the expiration of an officer's term or such officer's removal or resignation, such officer other than the Secretary and the Treasurer shall immediately surrender and deliver all property of the Association in his possession to the President or the President-Elect.

Section 10. Vacancy. The vacancy of any office may be filled by a vote of the Board at any time. The person elected to fill the vacancy will then serve for the unexpired portion of the term of office for which his predecessor was elected.

## ARTICLE VI

### **Other Matters**

Section 1. Contracts. The Association shall only enter into contracts the subject matter of which is authorized by the Board.

Section 2. Checks. All checks drafts or other orders for the payment of money issued in the name of the Association shall be signed by the President and the Treasurer, or by such other officer or agent of the Association as shall be designated from time to time by resolution of the Board. Checks issued for an amount in excess of \$10,000 require two signatures. Approved signatures are President, Treasurer, Executive Director and President Elect.

Section 3.     Fiscal Year. The fiscal year of the Association shall end on December 31 of each calendar year, unless otherwise fixed by resolution of the Board.

Section 4.     Corporate Records. The Association shall keep correct and complete books and records of accounts and minutes of all Board and members' meetings and a record of all actions taken by the Board without a meeting, and a record of all actions taken by any committee of the Board in place of the Board.

Section 5.     Conflict of Interest Policy. The Association's Conflict of Interest Policy is attached as Exhibit A. Each director, principal officer and member of a committee with board delegated powers shall annually sign a statement which affirms that such person –

1. has received a copy of the conflicts of interest policy,
2. has read and understands the policy,
3. has agreed to comply with the policy, and
4. understands that the Association is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 6:     Equal Employment. The Association is an equal opportunity employer.

(a)     With respect thereto, it is the policy of the Association that all applicants for employment will be considered; that all persons employed, including management staff, professionals, administrative staff and all others, will be treated without regard to race, color, religion, sex, sexual orientation, national origin, age or handicap. Such action includes, but is not limited to, the following: employment, promotion, demotion, transfers, layoff and termination, recruitment and recruitment advertising, rates of pay and other forms of compensation, selection for training, and all Association-sponsored social and recreational programs. It is each and every employee's responsibility to ensure that our employment practices follow these guidelines.

(b)     The Association is committed to providing a workplace which is free from sexual harassment as well as unlawful harassment based on ancestry, race, color, age, marital status, veteran status, medical condition, mental disability, physical disability, national origin, religion, sex, sexual orientation or any other protected characteristic. The Association does not tolerate harassment of employees by managers, supervisors or co-workers. The Association will also attempt to protect employees from harassment by non-employees in the workplace.

(c)     In keeping with this commitment, the Association maintains a strict policy prohibiting unlawful harassment. This policy applies to all employees, including supervisors and non-supervisory employees. Furthermore, it prohibits harassment in any form including, without limitation, verbal, physical and visual harassment.

## ARTICLE VII

### **Certain Objectives**

Section 1. The general purposes of the Association are as stated in Article I of these Bylaws. Following are seven specific objectives of the Association:

- (1) To aid members in developing competency in whichever practice area in the fields of business turnaround, restructuring and bankruptcy that they provide service;
- (2) To provide training for members entering and continuing in the practice areas of business turnaround, restructuring and bankruptcy;
- (3) To develop and maintain standards of competency in the practice areas of business turnaround, restructuring, bankruptcy and insolvency accounting, and valuation of distressed assets and businesses through the Certified Insolvency and Restructuring Advisor (CIRA) and the Certification in Distressed Business Valuation (CDBV) Programs;
- (4) To develop and promulgate ethical standards of practice in the practice areas of business turnaround, restructuring and bankruptcy;
- (5) To develop and promulgate financial reporting standards in the practice areas of business turnaround, restructuring and bankruptcy;
- (6) To define and develop the various roles and responsibilities members can undertake in a bankruptcy case as provided in the Bankruptcy Code; and
- (7) To encourage cooperation with other professionals with similar interests in the fields of business turnaround, restructuring and bankruptcy.

Section 2. Certified Insolvency and Restructuring Advisors and Certification in Distressed Business Valuation Programs. The Board shall administer these Programs.

Section 3. Automatic Suspension of CIRA Certificate and Certification in Distressed Business Valuation. The CIRA or CDBV Certificate of a member shall be automatically suspended upon the occurrence of any one of the following:

- (a) Membership in the Association lapses or is suspended automatically or by a vote of the Board;
- (b) Failure to comply with the continuing education requirements of the CIRA Certificate and the Program; and
- (c) Suspension of any professional license held by such member, other than for failure by such member to pay dues when due and payable or comply with any continuing education requirements.

**Section 4. Automatic Revocation of CIRA Certificate and Certification in Distressed Business Valuation.** The CIRA or CDBV Certificate of a member shall be automatically revoked upon the occurrence of any one of the following:

- (a) Revocation of any professional license held by such member; and
- (b) The conviction of such member for a felony.

**Section 5. Suspension or Revocation of CIRA Certificate and Certification in Distressed Business Valuation by Board Action.** The Board, by a unanimous vote of those present (but excluding the member who is to be considered if such member is a director) and voting at a legally constituted meeting, may suspend or revoke the CIRA or CDBV Certificate of a holder for conduct prejudicial to the best interests of the Association. Before a vote on suspension or revocation by the Board, such holder shall be entitled to an opportunity for a hearing at such meeting of the Board on the reasons for the suspension or revocation, except that no hearing shall be required if the holder fails to attend the meeting. The notice to the Board for any such meeting shall specifically state that the suspension or revocation of the CIRA or CDBV Certificate of such holder will be considered at the meeting.

**Section 6. Continuing Education Requirement.** At a minimum, members holding CIRA Certificate must complete, over a three-year period (with the first three-year period being on January 1 of the first year after the date on the CIRA Certificate), 60 hours of continuing professional education related to any combination of the following subjects in the disciplines of accounting, tax, finance or law: troubled business workouts, insolvency, bankruptcy and/or restructuring.

**Section 7. Authoritative Bodies Promulgating Technical Standards.** In accordance with the Code of Professional and Ethical Conduct for a CIRA or CDBV Certificate holder, holders must adhere to technical standards issued by the following authoritative bodies:

- (a) the Financial Accounting Standards Board;
- (b) the U.S. Securities and Exchange Commission; and
- (c) the Public Company Accounting Oversight Board.

## ARTICLE VIII

### **General**

**Section 1. Office and Records.** The Association shall maintain its principal office at 221 Stewart Avenue, Suite 207, Medford, Oregon 97501, until the Board otherwise approves a change of address. The records shall be maintained at such address, with the exception of those records considered necessary to carry out the duties of certain officers. Those records or files shall be transferred to any newly elected officers. The records or files may be inspected by any member or his representative at reasonable times, upon 15 days' prior formal notice.

Section 2.     Amendments. The Bylaws may be amended, repealed or added to only by a majority vote of the Board provided that any provisions requiring a greater vote may be amended only by such greater vote.

Section 3.     Not-for-Profit. The Association is not organized for profit. No part of the funds received by the Association or net earnings of the Association shall inure to the benefit of or be distributable to the Association's directors, officers, members or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article I. The Association shall operate within the provisions of Section 501(c)(6) of the Code. The Association shall not engage in any activities which would constitute a regular business of a kind ordinarily carried on for profit.

Section 4.     Corporation. The Association shall operate as a nonstock corporation under the applicable laws of the Commonwealth of Virginia.

Section 5.     Term. The term of the Association shall be perpetual.

**EXHIBIT A**  
**CONFLICTS OF INTEREST POLICY**  
**OF**  
**ASSOCIATION OF INSOLVENCY AND RESTRUCTURING ADVISORS**

**ARTICLE I**  
**PURPOSE**

The purpose of the conflicts of interest policy is to protect the interest of Association of Insolvency and Restructuring Advisors (the "Association") and each of its affiliates when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director or officer of the Association. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable Associations.

**ARTICLE II**  
**DEFINITIONS**

1.     Interested Person

Any director, officer, or member of a committee with board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any affiliate of the Association, he or she is an interested person with respect to the Association and all of its affiliates.

2.     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 Association or any affiliate has a transaction or arrangement, or
- b.     a compensation arrangement with the Association or an affiliate or with any entity or individual with which the Association or an affiliate 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 Association or an affiliate is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

### **ARTICLE III PROCEDURES**

#### **1. Duty to Disclose**

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the directors or members of committees with board delegated powers considering the proposed transaction or arrangement.

#### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the 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.

#### **3. Procedures for Addressing the Conflict of Interest**

a. An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

b. The chair of the 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 board or committee shall determine whether the Association or affiliate can obtain a more advantageous transaction or arrangement with reasonable efforts 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 attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the Association's best interest and for its own benefit and whether the transaction is fair and reasonable to the Association and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

#### **4. Violations of the Conflicts of Interest Policy**

a. If the board or committee has reasonable cause to believe that 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 response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **ARTICLE IV**

##### **RECORDS OF PROCEEDINGS**

The minutes of the board and all committees with board- delegated powers shall contain --

1. 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 decision as to whether a conflict of interest in fact existed.
2. 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 therewith.

#### **ARTICLE V**

##### **COMPENSATION**

1. A director who receives compensation, directly or indirectly, from the Association or affiliate for services is precluded from voting on matters pertaining to his or her compensation.
2. A member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association or affiliate for services is precluded from voting on matters pertaining to that member's compensation.

#### **ARTICLE VI**

##### **ANNUAL STATEMENTS**

Each director, principal officer and member of a committee with board delegated powers shall annually sign a statement which affirms that 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 that the Association is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.