

BYLAWS
OF THE
NATIONAL ASSOCIATION FOR HEALTHCARE QUALITY

Article I

NAME AND PURPOSES

Section 1. Name

The name of this corporation shall be the NATIONAL ASSOCIATION FOR HEALTHCARE QUALITY (hereinafter, the "Association"), an Illinois not-for-profit corporation.

Section 2. Purposes

The purposes of the Association are to promote the delivery of quality healthcare and to provide leadership in the delivery of such quality healthcare in the most efficient and cost effective manner possible; promote professional ethics within, and facilitate the communication, cooperation and sharing of knowledge among individuals and entities within the field of healthcare; support and advocate actively the interests of patients in receiving quality healthcare and in all other actions affecting their health and welfare; and encourage, develop and provide programs of continuing education and educational tools for members and other persons involved in the promotion of quality healthcare.

Article II

OFFICES

The Association shall have and continuously maintain in the State of Illinois a registered office and a registered agent whose office is identical with that registered office, and may have such other offices in or out of the State of Illinois as the Board of Directors may from time to time determine.

Article III

MEMBERS

Section 1. Membership

Membership may be granted to any person who, and any health organization which: (i) is interested in and agrees to support the purposes and activities of the Association; (ii) agrees to abide by these Bylaws, the principles of ethics of the Association and such other rules and regulations as the Association may adopt; and (iii) meets the additional criteria established for each category of membership in the Association as follows:

(a) **Individual Members** Individual Membership may be granted to any individual having responsibility for professional healthcare quality management activities.

(b) **Institutional Members** Institutional Membership may be granted to any health organization.

(c) **Honorary Members** Honorary Membership may be granted to any individual who has rendered outstanding service to the Association as determined by the Board of Directors.

(d) **Life Members** Life Membership will be granted to any individual who has served as President of the Association.

(e) **Fellow Members** Membership as a Fellow will be granted, upon application and payment of an application fee, to any individual who has been an Individual Member of the Association in good standing for the three years immediately preceding the application and satisfies the following additional criteria as determined by the Board from time to time and as more specifically set forth in documents of the Association: academic credentials, employment experience, continuing education, contributions to the advancement of the profession and the field of healthcare quality, and written recommendation.

(f) **Corporate Members** Corporate Membership may be granted to any organization that has made a contribution to the field of healthcare quality and supports the mission and purposes of the Association.

(g) **Emeritus Members** Emeritus Membership may be granted to any individual who has retired from full-time employment and has been a voting member of the Association for at least ten (10) years immediately preceding the initial application for emeritus membership.

All persons and entities granted membership in the Association shall be referred to herein collectively as "Members."

Section 2. Application and Election

The Board of Directors shall from time to time adopt an application form and procedures to facilitate the consideration of applicants for membership in the Association. The Board of Directors or a team designated thereby shall evaluate the credentials of all applicants and determine their eligibility for membership, based upon the criteria set forth in these Bylaws and additional criteria as may from time to time be established by the Board of Directors.

Section 3. Rights and Duties

All Members may attend meetings, but only Individual Members, Life Members and Fellow Members (collectively, the "Voting Members") may vote, serve as an officer, a director, a state representative, or a member of any Association team.

Section 4. Resignation

Members may resign from the Association at any time by giving written notice to the Executive Director. Any resigning Member shall continue to be responsible for the payment of all Membership Dues (as defined in Article V) and other charges until the end of the fiscal year of such Member's resignation.

Section 5. Termination of Membership

Membership in the Association may be terminated or other discipline imposed for "cause," which means violation of these Bylaws or any rule or practice of the Association. Termination or other discipline shall be effected or imposed only upon the vote of two-thirds of the entire membership of the Board of Directors; provided that a statement of the charges constituting "cause" shall have been mailed by certified mail to the last recorded address of the Member at least fifteen (15) days before final action is to be taken. This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors at which the charges shall be considered, and the Member shall have the opportunity to appear in person and/or to be represented by counsel and to present any defense to such charges before action is taken by the Board of Directors. In addition, the membership of any Member who becomes ineligible for membership or who is ninety (90) days in default in the payment of any dues or charges shall be terminated automatically. In special circumstances, such termination may be delayed by the Board of Directors.

Article IV

MEMBERSHIP MEETINGS

Section 1. Annual Meeting; Election of Officers and Directors

An annual meeting of the Members may be held at such time and place as shall be determined by the Board of Directors. At each annual meeting the Voting Members shall conduct such business as may properly come before the Members. The Voting Members shall elect the officers and the directors by mail ballot in accordance with the procedures set forth in Section 2 hereof.

Section 2. Voting; Mail Ballot

(a) Each Voting Member shall be entitled to one (1) vote on each matter upon which such Member is entitled to vote. Voting by mail ballot (whether hard copy or electronic) shall be permitted, in lieu of a vote at a duly called meeting, for any item of business, including the election of officers and directors. For the election of officers and directors, the act of a majority of ten percent (10%) or more Voting Members returning ballots by a date certain shall be an act of the Members. For matters other than the election of officers and directors, the act of a majority or more Voting Members returning ballots by a date certain shall be an act of the Members, unless the action of a greater number is required by law, the Articles of Incorporation or these Bylaws.

(b) At least sixty (60) days prior to the annual meeting, a mail ballot setting forth the slate of nominees selected by the Nominating Team shall be delivered to each Voting Member at the record address of the Voting Member on file with the Association. The Voting Members must return the mail ballots for tabulation no later than thirty (30) days prior to the annual meeting. The Nominating Team shall oversee the tabulation of the mail ballots. The results of the vote by mail ballot shall be announced at the annual meeting by the chairperson of the Nominating Team.

Section 3. Special Meetings

Special meetings of the Members or a vote by mail ballot may be called by the President or by the Board of Directors. The time and place for holding special meetings shall be determined by the Board of Directors.

Section 4. Notice

Notice of any annual or special meetings of the Members shall state the time, date and place of the meeting and shall be delivered not more than sixty (60) and not less than twenty (20) days prior to the date of such meeting.

Section 5. Quorum

Ten percent (10%) of the Voting Members of the Association shall constitute a quorum for the transaction of business at any duly called meeting of the Members; provided that if less than a quorum is present, a majority of the Voting Members present may adjourn the meeting to another time without further notice.

Section 6. Manner of Acting

The act of a majority of the Voting Members present at a duly called meeting at which a quorum is present in person or by proxy shall be the act of the Members, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Article V

DUES AND ASSESSMENTS

The initial and annual dues for all Members ("Membership Dues"), the time for paying such dues, and other assessments for Members, if any, shall be determined from time to time by the Board of Directors.

Article VI

BOARD OF DIRECTORS

Section 1. Authority and Responsibility

The Association shall be managed by the Board of Directors, which shall supervise, control and direct the affairs of the Association; determine the policies of the Association or changes therein within the limits of these Bylaws; actively promote the purposes of the Association and have discretion in the disbursement of its funds; approve all presidential appointments to Association teams; and appoint the Executive Director to serve at the pleasure of the Board of Directors. The Board of Directors may adopt such rules and regulations for the conduct of its business as shall be deemed advisable and may, in the execution of the powers granted herein, appoint such agents as it may consider necessary.

Section 2. Composition and Term

(a) The Board of Directors shall be composed of eight (8) individuals as follows: President, President-Elect, Immediate Past President, Secretary/Treasurer, Member Services Director, and Professional Development Director Special Interest Group Director, HQCB Chair. In addition, the Executive Director of the Association shall serve as a non-voting, ex officio member of the Board of Directors.

(b) Members of the Board of Directors shall take office on January 1 of the year after the elections occurred. Each member of the Board of Directors shall continue to serve until his/her term of office as an officer or director, as the case may be, expires and until his/her successor is duly elected and qualified. No individual may serve more than six (6) consecutive terms as a member of the Board of Directors.

Section 3. Election and Qualification

(a) Officers shall be elected by the membership as set forth in Article VIII hereof. The Member Services Director, Professional Development Director, and the Special Interest Group Director ("Director") shall be elected by the membership for two (2) year staggered terms and cannot be elected for a second consecutive term. To be eligible for election as a Director, a Member also must be a member of an Affiliated State Association, if one exists, and fulfill such other criteria as the Board of Directors shall establish from time to time.

(b) In the event a Director is unable or unwilling to complete his/her term of office, the individual who received the second highest number of votes in the last election for such Director's position (the "Alternate") shall be appointed to complete the term left vacant. In the event no Alternate is available or the Alternate is unable to fulfill the term, the President, with approval of the Board of Directors and with the advice of the members of the Nominating Team, shall appoint a Director from among the membership. A Member appointed as a Director in accordance with the preceding sentence shall complete the term left vacant and remain eligible for nomination as a Director for a subsequent full term.

Section 4. Member Services Director

The Member Services Director will represent the customer service needs of the Association's membership and, in furtherance thereof, will direct the development and institution of processes for evaluating member needs, for implementing member marketing strategies, and for providing membership recognition.

Section 5. Professional Development Director

The Professional Development Director will represent the professional development needs of the Association's membership and, in furtherance thereof, will evaluate, coordinate, and respond to the educational needs of the Association.

Section 6. Special Interest Group Director

The Special Interest Group Director will represent the needs of special interest groups of the association's membership and, in furtherance thereof, will respond to the practice of the Special Interest Groups.

Section 7. Regular Meetings

The Board of Directors may provide by resolution the time, date and place for the holding of an annual meeting and additional regular meetings of the Board without other notice than such resolution. In lieu of a meeting, business of the Board of Directors may be transacted by teleconference. All Board of Directors meetings shall be open to Members of the Association.

Section 8. Special Meetings

Special meetings of the Board of Directors may be called by or at the request of the President or three (3) members of the Board of Directors.

Section 9. Notice

Notice of any special meeting of the Board of Directors shall state the time, date, and place of the meeting and shall be delivered at least five (5) days prior to the date of such meeting; provided that notice of any special meeting held by teleconference may be given at least twenty-four (24) hours prior to the meeting. Attendance of a member of the Board of Directors at any meeting shall constitute a waiver of notice of such meeting except where attendance at a meeting is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called and convened.

Section 10. Quorum

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

Section 11. Manner of Acting

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

Section 12. Resignation and Removal

Any Board member may resign at any time by giving written notice to the President. In addition, any Board member may be removed by mail ballot, in the manner set forth in Article IV, Section 2 hereof, or by the vote of a simply majority of the Voting Members present in person or by proxy at a duly called meeting of the Members in which a quorum is present whenever, in their judgment, the best interests of the Association would be served by such removal. Written notice of a Membership meeting held to vote on removal of one or more Board members shall be delivered to all Voting Members entitled to vote, which notice shall state that the purpose of the meeting is to vote upon the removal of one or more Board members named in the notice. Only the named Board member(s) may be removed at such meeting.

Section 13. Vacancies

In the event a vacancy is created on the Board of Directors due to the death, resignation, removal or disqualification of an officer or director, the vacancy shall be filled, for an officer, in the manner set forth in Article VII, Section 1 hereof or, for a director, in the manner set forth in Article V, Section 3 hereof. A

Board member shall complete the term left vacant and remain eligible for nomination as a Director for a subsequent full term.

Section 14. Action by Written Consent

Any action requiring a vote of the Board of Directors may be taken without a meeting if a consent in writing (whether in hard copy, facsimile or electronic format), setting forth the action taken, is signed by all of the Board members.

Section 15. Meeting by Conference Call

Any action to be taken at a meeting of the Board of Directors may be taken through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such a meeting shall constitute presence in person at the meeting of the persons so participating.

Section 16. Membership Meeting

A membership meeting open to all members will be conducted minimally once a year and on an as needed basis at the discretion of the Board to share the status of the organization with members.

Article VII

OFFICERS

Section 1. Officers

The officers of the Association shall consist of a President, President-Elect, Immediate Past President, and Secretary/Treasurer. Unless otherwise provided by these Bylaws, upon expiration of his/her term, the President-Elect automatically shall succeed to the office of President, and the President shall automatically succeed to the position of Immediate Past President. No two offices may be held by the same person. To be eligible for election as an officer, a Member also must be a member of his/her respective Affiliated State Association, if one exists, and fulfill such other criteria as the Directors shall establish from time to time. All officers, except the Secretary/Treasurer, shall serve for a term of one (1) year and until their successors are elected and qualified. The Secretary/Treasurer shall serve for a term of two (2) years, and until his/her successor is elected and qualified and shall be ineligible for reelection to a second term. The officers shall take office on January 1st following the year in which they were elected. In the event a vacancy occurs in any office, except the office of President, the Board of Directors may appoint a successor(s) to complete the term of office. In the event the office of President becomes vacant for any reason, such vacancy shall be filled as follows: (a) if such vacancy occurs within the first six (6) months after the annual meeting, the Immediate Past President shall serve for the period until the end of that six (6) month period and the President-Elect shall serve thereafter; (b) if such vacancy occurs in the first six (6) months following the annual meeting, the President-Elect shall serve for the unexpired portion of the term. Notwithstanding the foregoing, the President-Elect shall serve in the office of President for the full one-year term to which she or he was elected.

Section 2. President

The President shall be the principal executive officer of the Association and shall supervise and direct all of the business affairs of the Association, subject to the direction and control of the Board of Directors. The President shall preside at all meetings of the Members, Board of Directors and shall oversee the implementation of all directives and resolutions of the membership and the Board of Directors. The President may sign, with the Secretary/Treasurer or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except documents the execution of which shall expressly be delegated by law, the Articles of Incorporation, these Bylaws, or the Board of Directors to some other officer or agent of the Association. The President shall appoint the members of all teams subject to approval by the Board. The President shall be an ex officio member of all teams except the Nominating Team and the Healthcare Quality Certification Board, but shall not vote on any question in any team except where such vote is necessary to break a tie. The President shall perform all duties customarily incident to the office of president and such other duties as prescribed from time to time by the Board of Directors.

Section 3. President-Elect

The President-Elect shall assist the President in the discharge of the duties of the President as the President may direct and shall perform such other duties as may be assigned from time to time by the President or the Board of Directors. In the absence of the President or in the event of the President's inability or refusal to act, the President-Elect shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. The President-Elect shall be an ex officio member of all teams of the Board of Directors except the Nominating Team and the Healthcare Quality Certification Board, but shall not vote on any question in any team.

Section 4. Immediate Past President

The Immediate Past President shall assist the President and the President-Elect in the discharge of their duties as the President or President-Elect may direct. In the temporary absence of the President and President-Elect, the Immediate Past President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all of the restrictions upon the President or the President-Elect. The Immediate Past President shall serve as the Chair of the Nominating team and as a voting member of the HQCB Board. be an ex officio member of all teams except the Nominating Team and the Healthcare Quality Certification Board, but shall not vote on any question in any team.

Section 5. Secretary/Treasurer

The Secretary/Treasurer shall be the principal financial officer of the Association and shall have charge of and be responsible for the maintenance of adequate books of account for the Association; shall have charge and custody of all funds and securities of the Association, and be responsible therefore, and for the receipt and disbursement thereof; shall deposit all funds and securities of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article XI of these bylaws; and shall have an annual audit of the Association's books conducted by a certified public accounting firm. The Secretary/Treasurer shall keep minutes of the meetings of the Board of Directors, and the Members in one or more books maintained for that purpose; shall see that all notices are duly given in accordance with applicable law, the Articles of Incorporation, and these Bylaws; shall be custodian of the corporate records, shall keep a record of the mailing address of each Member; and, in general, shall

perform all duties customarily incident to the office of secretary/treasurer and such other duties as may be assigned from time to time by the President or the Board of Directors. The duties of the Secretary/Treasurer may be assigned by the Board of Directors in whole or in part to the Executive Director.

Article VIII

EXECUTIVE DIRECTOR

The administrative and day-to-day operation of the Association shall be the responsibility of a staff head or firm employed or appointed by the Board of Directors and responsible to the Board. The salaried staff head or firm shall have the title of "Executive Director" and shall have the authority to execute contracts on behalf of the Association and as approved by the Board of Directors. The Executive Director may carry out the duties of the Secretary/Treasurer of the Association and perform such other duties as may be specified by the Board. The salaried staff head or firm shall employ and may terminate the employment of such additional staff personnel necessary to carry out the work of the Association.

Article IX

AFFILIATED STATE ASSOCIATIONS

Section 1. Affiliated State Associations

Any organization comprised of medical/healthcare professionals resident in a particular state may be affiliated with the Association if the state organization fulfills criteria for affiliation as established from time to time by the Association. The criteria for affiliation include: (1) at least twenty-five percent (25%) of the state organization's members, or one hundred (100) of such state organization's members, are Members of the Association; (2) the Bylaws of the state organization have been reviewed and approved by the Board of Directors, and (3) the state organization and the Association have entered into an agreement of affiliation. All state organizations that fulfill the criteria for affiliation are herein referred to as "Affiliated State Associations."

Section 2. Other Affiliated Associations

Any association with an interest in healthcare quality whose mission, purpose and bylaws are consistent with those of NAHQ, other than a state association as described in Article IX, Section 1, may be affiliated with NAHQ if the association fulfills criteria as established from time to time by the Board.

Article X

TEAMS

Section 1. Standing Teams

The Board of Directors, by resolution adopted at a meeting duly called at which a quorum is present, may designate such standing and other teams of the Board of Directors as the Board Members deem necessary or appropriate. Unless otherwise noted, only Voting Members are eligible to serve as members of a team.

(a) **Executive Team** The Executive Team shall have the authority to carry out the business and functions of the Association between meetings of the Board or Directors, but shall report any such actions to the Board of Directors. The Executive Team shall consist of the President, the President-Elect, the Immediate Past President, and the Secretary/Treasurer. The Executive Director shall serve as a non-voting, ex officio member of the Executive Team.

(b) **Nominating Team** the Nominating Team shall prepare a slate of acceptable nominations for officers and directors for submission to a vote of the Voting Members. The Nominating Team shall consist of eight (8) individuals: seven (7) who shall be appointed by the board. the Immediate Past President, who shall serve as chairperson of the Nominating Team; and one additional Past President who shall be appointed by the President. Nominating Team members shall have served on the Board of Directors, on the Healthcare Quality Certification Board, or as a member of an Association Team within the last 3 years. Members of the Nominating Team shall be appointed for two (2) year staggered terms.

(c) **Healthcare Quality Certification Board** The Healthcare Quality Certification Board (the "Certification Board") shall promote excellence and professionalism in the field of healthcare quality; recognize individuals who demonstrate an acquired body of knowledge and expertise in the healthcare quality management profession; and promote the art and science of quality management in the healthcare field. The Certification Board shall have the authority and responsibilities determined by and as set forth in operating guidelines.

(d) **Other Standing Teams** the rules and regulations of the standing teams, and additional standing teams of the Association, may be established by resolution of the Board of Directors to carry out the purposes of the Association.

Section 2. Ad Hoc Teams

The President may appoint such ad hoc teams as are necessary or appropriate to carry out the purposes of the Association. An ad hoc team created by the President shall terminate with the expiration of the President's term of office. Ad hoc teams may be established for longer periods with the approval of the Board of Directors.

Section 3. Appointment; Term

Unless otherwise provided by these Bylaws or the resolution establishing the team, the President shall appoint the chairperson and members of each team, except that the Past President shall serve as the chairperson of the Nominating Team. The Board, at its next regular meeting, shall approve all Presidential appointments to the teams. Unless otherwise provided by these Bylaws or the resolution establishing the team, each member and chairperson of the teams shall serve for a term of one (1) year and until their successors are appointed and shall serve for no more than two (2) consecutive terms. Team members may succeed themselves. Any member of any team may be removed by the person or persons authorized to appoint such member whenever, in their judgment, the best interests of the Association would be served thereby.

Section 4. Vacancies

Vacancies in the membership of any team shall be filled by appointments made in the same manner as the original appointments to that team.

Section 5. Quorum and Manner of Acting

Unless otherwise provided by these Bylaws or in the resolution establishing a team, a majority of the membership of the whole team shall constitute a quorum, and the act of a majority of the members present and voting at a duly called meeting at which a quorum is present shall be the act of the team.

Section 6. Rules

Each team may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

Article XI

FINANCIAL MATTERS

Section 1. Contracts

The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board, such instruments shall be signed by the Secretary/Treasurer and countersigned by the President or President-Elect.

Section 3. Deposits

All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 4. Bonding

The Board of Directors may provide for the bonding of such officers and employees of the Association as it may from time to time determine.

Section 5. Gifts

The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

Section 6. Books and Records

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Members, the Board of Directors, and any teams having the authority of the Board of Directors. The books and accounts of the Association shall be audited annually by accountants selected by the Board of Directors.

Section 7. Fiscal Year

The fiscal year of the Association shall be determined from time to time by the Board of Directors.

Article XII

WAIVER OF NOTICE

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

Article XIII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association may indemnify all officers, directors and team members of the Association to the full extent permitted by the Illinois Not-for-Profit Corporation Act and shall be entitled to purchase insurance for such indemnification of officers and directors to the full extent as determined from time to time by the Board of Directors.

Article XIV

AMENDMENTS TO THESE BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority vote of the Board of Directors; provided that such modification also is approved by the affirmative vote of a

majority of the members; provided further that notice of the Board of Directors' intent to modify these Bylaws, and the substance of such modification, has been provided to members prior to their vote.

Article XV

DISSOLUTION

Upon the dissolution of the Association, the Board of Directors, after paying or making provision for the payment of all of the liabilities of the Association, shall dispose of all of the remaining assets of the Association exclusively for the purposes of the Association in such manner, or to such organization or organizations as shall at the time qualify as a tax-exempt organization or organizations recognized under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue statute, as the Board shall determine.

Article XVI

USE OF ELECTRONIC COMMUNICATION

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

*Bylaws approved in 1994 by the NAHQ membership
Amended October 1995 by the House of Delegates
Amended October 1996 by the House of Delegates
Amended February 1997 by the House of Delegates
Amended September 1997 by the Leadership Council
Amended August 2006 by the Leadership Council
Amended April 2007 by the Leadership Council
Amended October 2007 by the Leadership Council*