

BYLAWS

ASSOCIATION FOR HEALTHCARE RISK MANAGEMENT OF NEW YORK, INC.

ARTICLE I - NAME

The name of the organization shall be the ASSOCIATION FOR HEALTHCARE RISK MANAGEMENT OF NEW YORK, INC. (hereinafter called "Association").

ARTICLE II - PURPOSE

The purpose of the Association shall be to enhance the quality of the delivery of health services and the professional practice of healthcare and healthcare related risk management by:

- A. Conducting educational activities to strengthen the development of healthcare and healthcare-related risk management programs and promote professional development of related staff.
- B. Providing a forum for the interchange of ideas and methodologies among members and other health professionals.
- C. Assisting in the development of professional relationships among Association members and other healthcare professionals in order to facilitate free exchange of information and solution of mutual problems.
- D. Providing a forum on healthcare risk management issues and explaining the impact of these issues to other appropriate parties, including hospital associations, medical societies, civic groups, etc.
- E. Acting as a central source of information in New York State on the new developments and trends in healthcare risk management.

The Association is organized exclusively for charitable, educational and scientific purposes as will qualify it for, and within the meaning of, Section 501 (c) (3) of the Internal Revenue Code of 1954 and Sections 509 (a) (1) and/or 509 (a) (2) of said Code. The Association shall conduct its activities so that no part of its income, net earnings, properties or assets, on dissolution or otherwise, shall inure for the benefit of, or be distributable to any member, trustee, Officer or other private person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in the furtherance of the proposed set forth in the Bylaws. The Association shall not, as a substantial part of its activities, attempt to intervene in any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision in said Bylaws, the Association shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 or the Corresponding provision of any future United States Internal Revenue Law.

The Association may engage in any activities or exercise any powers that are in furtherance of the stated purposes of the Association. Furthermore, the Association shall have and exercise all rights and powers conferred on corporations under the laws of New York State and specifically under Section 402 of the Not-For-Profit-Law.

The Association may review and comment on legislation, regulations or other issues related to its areas of interest in furtherance of its educational purposes. Members of the Association may suggest related recommendations by forwarding same to the Board of Directors of the Association, or by two-thirds vote of the members present and voting at an authorized meeting. The Association shall issue any comment or statement through its Board of Directors, and only if such statements are in furtherance of the purposes of the Association as will continue to qualify it as an exempt organization under Section 501 (c) (3) of the Internal Revenue Code.

ARTICLE III - MEMBERSHIP

Section 1. Type of Membership

The Association's membership shall consist of individual members. A Member is a professional who is actively involved in the field of health care risk management, or whose job responsibilities include healthcare risk management, or who has an interest in healthcare risk management. Members may vote and hold any elected office in the Association.

Section 2. Establishment of Membership

Membership in the Association shall become effective upon (a) receipt of a properly completed application form, (b) receipt of appropriate dues, and (c) approval of the application by the chairperson of the Membership Committee in accordance with the Association's Bylaws.

The term of membership shall be for one year commencing July 1st of each year.

Section 3. Transfer and Change of Membership

Membership in the Association shall not be transferable to another person.

Section 4. Renewal of Membership

Members of the Association shall have their membership automatically renewed beginning July 1st of each year, provided that:

1. an individual continues to meet eligibility requirements as provided in the Bylaws;
2. all dues owed to the Association have been fully paid; and
3. the member has not violated any provision of the Bylaws, and is in compliance with same.

Section 5. Termination of Membership

Members may file their resignation from the Association at any time in writing with the Chairperson of the Membership Committee.

ARTICLE IV - DUES

Annual dues of the Association shall be established by the Board of Directors. Existing members, and applicants for new membership, shall be billed for one hundred percent (100%) of the annual assessed dues by July 1 of the membership year. No portion of the dues paid by any member shall be refundable if their membership is terminated for any reason.

ARTICLE V - MEETINGS

Section 1. Annual Meeting

The Association shall meet at least annually for the transaction of the affairs of the Association. Annual meetings shall be held at the principal office of the Association or at such other place as the Board of Directors may, from time to time, determine. Annual meetings shall be held no less than nine (9) months, or more than fifteen (15) months, from the date of the last annual meeting, and at such times as the Board of Directors shall designate. Members shall receive written notice of the place, date, and hour of the meeting not less than ten (10) days, or more than fifty (50) days, prior to the stated date.

Section 2. Special Meetings

Special meetings of the Association may be called by the Board of Directors. These meetings shall be limited to consideration of subjects listed in the official call for such meetings, unless it is otherwise ordered by the unanimous consent of the members present and voting. The Secretary of the Association shall notify the membership by mail of the special meetings no less than 15 days prior to the date of the meeting.

Special meetings may also be called by thirty-three percent (33%) of the members entitled to vote at such meetings. Demand by the requisite number of members shall be made in writing. Notice of the demand shall be given to the Secretary of the Association by first class mail, registered-return receipt requested, and shall specify the subject, date and month thereof, which shall in no case be less than two (2) months, or greater than three (3) months, from the date of receipt of such demand. The Secretary upon receipt shall promptly give notice to the membership, or if not, within five (5) business days. Any member may give such a notice.

Section 3. Order of Meetings

The Association shall adopt regulations for conducting meetings of the Association and may amend them from time to time by a majority of those present and voting at the annual meeting. These regulations shall be in accord with Robert's Rules of Order Revised, when the latter are not in conflict with the Bylaws of the Association.

Section 4. Voting

- A. Eligibility to Vote. Members in good standing shall have the right to vote. Proxy voting shall not be permitted.
- B. Mail Votes. The secretary of the Association shall use first class mail for all mail voting. The votes of the members voting by mail must be received by the Secretary two (2) business days before the meeting at which the votes would be cast.
- C. Majority. Except as otherwise specified herein, all matters shall be settled by a simple majority vote, that is, a majority of mail votes returned or a majority of members voting in assembly as the case may be.

Section 5. Quorum

The quorum at a duly called meeting shall consist of ten percent (10%) of the number of active Members.

Section 6. Organization

The President of the Association shall preside at all meetings of the members or, in the absence of a President, the President-elect shall preside. In the absence of the President or the President-elect, a chairperson will be chosen by the members present. The Secretary of the Association shall act as Secretary at all meetings of the members, but, in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

ARTICLE VI - BOARD OF DIRECTORS

Section 1. Eligibility

Members of the Association in good standing and in compliance with all provisions of the Bylaws shall be eligible to serve on the Board of Directors of the Association in accordance with the provisions of this Article VI.

Section 2. Composition

The Board of Directors shall be composed of not less than twelve (12) or more than twenty-five (25) members, including the President, past President, President-elect, Secretary and Treasurer. The President shall act as chairperson of the Board of Directors. The immediate past-President, if a member of the Association, shall be a voting member of the Board for a two-year term immediately following his or her term as President.

Section 3. Election, Term and Classification

Elected Directors shall be divided into two (2) classes, each consisting of approximately one-half of the total number of Directors as determined by the Board of Directors. The term of office of each Director shall be two (2) years and shall expire in successive years. A Director shall be eligible for reelection for another term of office.

The election of Directors may be conducted by mail or electronic means, utilizing a ballot format designated by the Board. A ballot listing candidates proposed by the Nominating Committee shall be transmitted to each eligible voting member of the Association by the Secretary not less than thirty (30) days prior to the annual meeting. The votes shall be tabulated by the Secretary and reported to the Board of Directors. The results of the election shall be communicated to the membership before or at the annual meeting as established pursuant to Article V, Section 1, whereupon the newly elected Directors and Officers shall be installed. Each Director so elected shall hold office until the next annual meeting at which the election of his/her class is in the regular order of business or until his/her earlier resignation or removal.

Section 4. Powers

The Board of Directors shall have the responsibility to develop plans, objectives, and purposes for the Association, establish standing and ad hoc committees in line with the purposes and objectives of the Association, and to review recommendations of these committees; establish and/or approve the dates, locations, formats and programs of Association meetings and other educational endeavors.

The Board of Directors shall have all implied powers to carry out the purposes and objectives of the Association, and their actions shall at all times be in conformity with the Bylaws and Articles of Organization of the Association.

Section 5. Vacancies

The Board of Directors shall have authority to fill any vacancy that may occur on the board, other than a vacancy in the office of President or of President-elect, by appointment of an eligible member of the Association for the unexpired term.

Section 6. Meetings

The Board of Directors shall meet not less than twice a year. Additional meetings may be called by the President with the approval of a majority of the Board of Directors. Notice of a meeting need not be given to any Director if a written waiver of notice, executed by him/her before or after the meeting, is filed with the records of the meeting. Otherwise, written

notice at least seventy-two (72) hours in advance of the meeting shall be reasonable and sufficient. A quorum shall consist of not less than one third (1/3) of the Directors and officers then in office.

Board members are expected to attend every regularly scheduled Board meeting, and where possible, every meeting for which seventy-two (72) hour advance written notice has been provided. A minimum attendance at 50% of the year's regularly scheduled meetings is a requirement for continued Board membership. Members who fail to comply with this obligation are subject to removal by the Board at its discretion, by a vote of a majority of the Board members. Seats of Board members removed by the Board pursuant to this provision shall be declared vacant and filled in accordance with these Bylaws.

Section 7. Action of Board of Directors by Written Consent

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all the members of the Board consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the Board of Directors shall be filed with the minutes of the proceedings of the Board of Directors.

Section 8. Compensation

No Director or Officer of this Association shall receive, directly or indirectly, any salary, or other compensation therefrom either as an Officer or Director or in any other capacity, unless authorized by the concurring vote of all the disinterested Directors.

ARTICLE VII - OFFICERS

Section 1. Eligibility

Members of the Association in good standing shall be eligible for elected office in the Association, except that the Office of Treasurer must be held by a member who has served for at least one year on the Board of Directors.

Section 2. Officers

The Officers of the Association shall be a President, President-elect, Secretary, Treasurer, and Assistant Treasurer. The office of Assistant Treasurer may be vacant at the discretion of the Board.

Section 3. Election and Term of Officers

All Officers shall serve for a term of one year. The Officer's term shall be limited to two (2) consecutive terms for any same office, with the exception of a candidate for Treasurer who may be annually reelected, but shall be limited to serving no more than three consecutive terms for said office.

The President-elect shall take office as President at the end of his/her term. The election of Officers and Directors shall be conducted by mail or by electronic means, utilizing a ballot format designated by the Board. A ballot listing candidates proposed by the Nominating Committee shall be transmitted to each eligible voting member of the Association by the Secretary not less than 30 days prior to the annual meeting. The votes shall be tabulated by the Secretary and reported to the Board of Directors. The results of the election shall be communicated to the membership before or at the annual meeting. The new Officers and Board members shall take office commencing on the day of the annual meeting of the Association.

Section 4. Removal

Any Officer of the Association elected or appointed by the Board of Directors may be removed, with or without cause, by a vote of a majority of Board members. An Officer duly elected by the members may be removed, with or without cause, only by a vote of the members, but his (her) authority to act as an Officer may be suspended by the Board for cause.

Section 5. Duties of the President

The President of the Association shall act as chairperson of the Board of Directors and shall preside at all meetings of the Board, and at all annual and special meetings of the

Association. The President-elect shall perform the duties of the office of the President whenever the President shall be unable to do so.

Section 6. Reports

No less than annually, the President shall submit a report, in writing, to the Board of Directors and membership of the Association. The report shall include a summary of reports from the Treasurer and chairpersons of all standing and ad hoc committees.

Section 7. Vacancies

If the office of President becomes vacant, the President-elect shall immediately accede to the presidency for the duration of the unexpired term, and shall continue to serve as President for the subsequent term. If both the offices of President and President-elect become vacant at the same time, the Board of Directors shall appoint the Secretary as President pro-temporae to serve for the remaining portion of the unexpired term. At the next regular election of the Association, a President and President-elect shall be elected in accordance with the provisions of the Bylaws.

Section 8. Duties of the Secretary

The Secretary shall maintain the official minutes and records of the Association.

Section 9. Duties of the Treasurer and Assistant Treasurer

The Treasurer shall be responsible for maintaining the financial records of the organization including banking and investment accounts, and for providing a quarterly report to the Board of Directors as well as an annual report to the Board of Directors and membership of the Association. The Treasurer may, in accordance with the directives of the Board of Directors, delegate the maintenance of records and/or preparation of reports to the Assistant Treasurer. There shall be no delegation of authority to the Assistant Treasurer for banking and/or financial transactions, unless there is a specific resolution by the Board of Directors for such delegation of duty.

Section 9a. Duties of the Assistant Treasurer

The Assistant Treasurer will assist in the maintaining of the organization's financial records and the preparation of reports, as directed by the Treasurer and/or Board of Directors.

ARTICLE VIII - COMMITTEES

Section 1. Nominating Committee

The Nominating Committee shall be composed of the past-President, the President-elect, and three members appointed by the President.

There shall be addressed to the membership, in writing, a general call for suggested nominees by the Nominating Committee for the position of President-elect, Secretary and Treasurer, and for other members of the Board of Directors. There shall be a President-elect to be determined by the number of votes received from the membership. The committee may elect to offer more than one name for nomination to any elected office. The ballot shall also provide for write-in candidates.

Section 2. Standing and Special Committees

There shall also be standing committees appointed annually by the President for: (1) Membership, (2) Education, (3) Bylaws, (4) Finance, (5) Public Relations and (6) Publications.

- A. **Membership Committee.** The Membership Committee shall include an Officer or Director appointed by the President, and serving as chairperson. The committee shall review applications for membership for the purposes of determining eligibility. The committee shall carry out all other membership responsibilities as provided in the Bylaws.

- B. **Education Committee.** The Education Committee shall be composed of at least three (3) members, the majority of which shall be Association members, and one of whom shall be an Officer or Director who is appointed by the President and serves as chairperson of the committee. The committee will coordinate the planning and implementation of Association programs and meetings.

- C. **Bylaws Committee.** The Bylaws Committee shall be composed of at least three (3) members, one of whom shall be an Officer or Director appointed by the President and serving as the chairperson of the committee. The committee shall annually review bylaws of the Association, taking into consideration comments and recommendations solicited from the membership.

- D. **Finance Committee.** The Finance Committee shall be composed of the Treasurer who shall be chairperson, the President, and at least one member of the Board of Directors. This committee shall prepare an annual budget and transmit it to the Board of Directors for its review.

- E. **Public Relations.** The Public Relations committee shall be composed primarily of active members, one of whom shall be an Officer or Director appointed by the President, and serving as chairperson. The committee shall serve in all public relations matters relating to the Association.

- F. **Publications Committee.** The Publications Committee shall be composed of Officers, Directors, and members. The chairperson shall be an Officer or Director appointed by the President. The committee shall prepare the *AHRMNY RISK MANAGEMENT QUARTERLY*.

The President of the Association may appoint, from time to time, special committees as authorized by the Board of Directors for purposes compatible with the objectives of the Association. The term of members serving on all standing committees shall be for one year. Committee members shall be eligible for reappointment by the President. The Board of Directors shall approve the actions of the Standing and Special Committees.

ARTICLE IX - CONFLICT OF INTEREST OF DIRECTORS AND OFFICERS

The Directors and Officers of the Association shall administer its affairs honestly and economically and exercise their best care, skill, and judgment for the benefit of the Association.

The Directors and Officers shall exercise the utmost good faith in all transactions relating to their duties in the Association. In their dealings with, and on behalf of the Association, they

are held to a strict rule of honest and fair dealing with the Association. They shall not use their position, or knowledge gained therefrom, so that a conflict might arise between the Association's interest and that of the individual.

All acts of Directors and Officers shall be for the benefit of the Association in any dealing that may affect the Association adversely. The Directors and Officers shall not accept any favor that might influence their actions affecting the Association or its members.

During their terms of office, Directors and Officers shall annually make full disclosure to the Board of Directors of any existing or new employment, activity, investment, or other interest that might involve obligations that may adversely compete with, or be in conflict with, the interest of the Association.

ARTICLE X - AMENDMENTS

These Bylaws may be altered or amended at any meeting of the Board of Directors by a two-thirds vote of the Board members present, provided notice has been given in writing (which includes electronic transmission) at the meeting immediately preceding the one at which the vote shall be taken, or by certified mail at least twenty days prior to the meeting at which the vote shall be taken.

Recommendations for amendments to the bylaws may be proposed by at least twenty-five (25) members of the Association in good standing. Amendments so proposed (by petition of at least twenty-five (25) members) shall be filed with the Secretary and shall be reviewed and considered by the Board of Directors within sixty (60) days of the Secretary's receipt of the same. Amendments approved pursuant to this provision shall be presented to the regular membership at the next Annual Meeting.

ARTICLE XI - BANK ACCOUNT

Banking and other investment accounts of the Association shall be maintained by the Treasurer. Transactions on these accounts shall be authorized by the Treasurer. Transactions which exceed one thousand dollars (\$1,000.00) must be authorized by a minimum of two Officers of the Association, one of which may be the Treasurer.

ARTICLE XII - FISCAL YEAR

The fiscal year of the Association shall be the same as the membership year - July 1st to June 30 of the following year.

ARTICLE XIII - AFFILIATIONS WITH OTHER ASSOCIATIONS

To facilitate communications and liaison with related professional associations, the Board of Directors shall seek to establish formal affiliations with appropriate organizations. Such organizations include, but are not limited to, the American Society for Healthcare Risk Management. The Board of Directors shall have the power to authorize the signing of formal written agreements establishing such relationships, but only when such affiliations are in furtherance of the purposes of the Association for Healthcare Risk Management of New York. Such affiliations shall not interfere with the separate corporate status of the Association or its qualifications as an exempt organization under the Internal Revenue Code of 1954, Section 501 (c) (3).

ARTICLE XIV - DISTRIBUTION OF ASSETS ON DISSOLUTION

The Association is one which does not contemplate pecuniary gain or profit to the members, Directors or Officers thereof, and is organized solely for nonprofit purposes. On the termination and dissolution of the Association, after payment of, or adequate provision for, the debts and obligations of the organization, the remaining assets shall be distributed to a nonprofit fund, foundation or corporation, which is organized exclusively for charitable, educational or scientific purposes and which has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1954. If the Association holds any assets in trust, such assets shall be disposed of in such manner as may be directed by a decree of the appropriate court within New York State in which this organization's principal office is located.

Bylaws re- issued to membership:

June 12, 2009, at the Annual Meeting of the Association, New York, N.Y.