



**BYLAWS OF THE
FEDERATION OF STATE MEDICAL BOARDS
RESEARCH AND EDUCATION FOUNDATION**

ARTICLE I. NAME, PURPOSE, POWERS, AND LOCATION

Section 1. Name.

The name of this corporation is The Federation of State Medical Boards Research and Education Foundation (hereinafter, the "Foundation").

Section 2. Purposes. The purposes of the Foundation shall be to:

(A) Further the public, state medical boards and the physician community's interest by conducting or promoting scientific and scholarly research regarding the relationship between physician licensure and the quality of health care provided to the general public, and to make results of such research available to the interested public;

(B) Further the public interest by conducting or promoting scientific or scholarly study of the underlying causes of reported disciplinary actions against physicians, and to take or support such actions as may be appropriate to improve the quality of health care provided to the general public by encouraging the elimination, minimization, or mitigation of such causes;

(C) Act as a clearinghouse of information obtained in the study described in (B) above, and to make such information available to the interested public;

(D) Expand public knowledge and awareness of problems in the field of health care regulation by conducting or promoting scientific and scholarly research on various matters and by making the results of such research available to the interested public;

(E) Expand public knowledge and awareness of new trends and standards for medical licensure, regulation, and practice by developing and conducting educational and research projects directed toward informing state medical boards, the profession, and the public on issues of health care.

Section 3. Powers.

The Foundation shall have such powers as are granted to not-for-profit corporations by the Illinois General Not For Profit Act.

Section 4. Location.

The Foundation shall maintain its principal place of business at 400 Fuller Wiser Road, Suite 300, Euless, Texas 76039, or at such other location as the Board of Directors of the Foundation (the "Foundation Board") may determine. The Foundation may hold property at such other locations as the Foundation Board may elect.

ARTICLE II. MEMBERS OF THE FOUNDATION

The Foundation shall have no members.

ARTICLE III BOARD of DIRECTORS OF THE FOUNDATION

Section 1. General Powers.

The property, business, and affairs of the Foundation shall be managed by the Foundation Board, which may exercise all of the powers to which the Foundation may be entitled pursuant to applicable law, the Foundation's Articles of Incorporation, and these Bylaws.

Section 2. Foundation Board Composition.

(A) The Foundation Board shall consist of up to fifteen (15) directors (the "Directors"), minimum of three (3) of whom shall be elected for three (3) year terms from among the Fellows or Honorary Fellows of the FSMB; one (1) of whom shall be the Chief Executive Officer of the Federation of State Medical Boards (the "FSMB"), one (1) of whom shall be the current Chair of the FSMB Board of Directors, and up to two (2) of whom may be persons elected from the public at large. At no time shall the Foundation Board consist of less than forty percent (40%) of Directors who have been elected by the FSMB Board of Directors.

(B) Each of the Directors shall have the right to vote, except for the Chief Executive Office of the FSMB, who shall be a non-voting member.

Section 3. Term Of Office.

(A) Directors shall be elected for three (3) year terms, which shall be staggered, except for members from the voting membership of the FSMB Board of Directors, who shall serve for terms fixed by resolution of the FSMB Board of Directors. The current Chair of the FSMB Board of Directors shall have a one year term coincident with the term as the Chair. Directors need not be residents of the State of Illinois. The composition of the Foundation Board of Directors as noted above may be phased in over a three (3) year period and become effective in 2016.

(B) The FSMB Board shall elect Foundation directors at a regular meeting of the FSMB Board.

(C) The Foundation Board shall elect Foundation directors at a regular meeting of the FSMB Foundation Board.

Section 4. Vacancies.

(A) *Prior To Completion of a Director's Regular Term of Office.* In the event that a Director other than a Director *ex officio* shall be unable to complete his or her full term of office, the Foundation Board shall fill by election such vacancy, except with respect to any Director appointed by the FSMB Board pursuant to the authority of Article III, Section 2, above. A Director elected to fill such vacancy shall serve only for such unexpired term as his or her predecessor in office.

(B) *Upon Completion of a Director's Regular Term of Office.* A Director may be elected to successive terms in office. However, a Director must seek reelection according to the Nomination Policy established by the Foundation for the identification of qualified candidates for directorships.

(C) *Nominations and Election To Directorships.* Any candidate, including a Director whose term is being concluded, seeking election by the Foundation must be nominated as a candidate for directorship, and must be elected as a Director as provided for under the Foundation's Nomination Procedures policy, as may be revised from time to time. The President of the Foundation shall designate a Nominations Committee on an annual basis from among those Directors whose terms are not being concluded, who shall thereafter effect the nomination process designated by the Nominations Procedure policy.

Section 5. Compensation.

Directors shall not be compensated for their service as members of the Foundation Board, or as members of any committee duly constituted under the Foundation. Foundation Directors shall be entitled to reimbursement of reasonable expenses incurred on behalf of the Foundation. Nothing herein shall preclude a Director from serving as a salaried officer, employee, or agent of the Foundation and receiving compensation in such capacity, but such directors shall neither vote nor participate in any vote of the Foundation with respect to such compensation.

Section 6. Resignation and Removal of a Director.

(A) *Resignation of a Director.* Any Director may resign at any time, by providing due and appropriate notice to the President of the Foundation Board. Such resignation shall take effect at such time as may be specified in the notice of resignation, or if no such time was specified, at such time as the resignation was received and accepted by the President. The President, with the consent of the Board, may delay filing such vacancy until the next regularly scheduled election of new Directors.

(B) *Removal of a Director.* Any Director shall be subject to removal for cause at any time for official or personal actions or conduct which may serve to impede the business of the Foundation, including acts of dishonesty in the affairs of the Foundation, acts which would constitute conflicts of interest which have not been disclosed pursuant to this Article, and personal conduct which may impair the function or reputation of the Foundation. The President of the Foundation, or the Vice President of the Foundation if the challenged Director is the President, shall chair all proceedings related to removal, and shall issue a call for a regular meeting of the Foundation Board for the sole and express purpose of considering such removal, which shall set forth in detail all such allegations as shall serve as the basis for the removal. The challenged Director shall be afforded a full and fair opportunity to contest such challenge, and may at his or her option provide such evidentiary support as he or she deems appropriate in response. The Chair of the proceeding shall have the authority to admit such evidence as shall be relevant and material to the issues presented in the challenge or response thereto, subject to the rules of parliamentary procedure. Upon full presentation of the evidence in support of and in response to the challenge, the challenged Director may be removed only by a vote of two-thirds (2/3) of the remaining Directors of the Foundation.

Section 7. Meetings.

The Foundation Board shall conduct annual organizational meetings, and may conduct regular business meetings, and special meetings.

(A) *Annual Organizational Meetings.* The Foundation Board shall convene in person at least once annually, at such time, day, and place as shall be designated by the Foundation Board, for the purpose of organizing the Foundation Board, setting future meeting dates, electing officers, and transacting other business.

(B) *Regular Business Meetings.* The Foundation Board shall convene from time to time upon a call of the President of the Foundation, whether in person or by telephonic or other communication media sufficient to facilitate the participation of each Director, for the conduct of the regular business of the Foundation.

(C) *Special Meetings.* The Foundation Board may from time to time convene upon a call of the President or by a majority of the Directors, whether in person or by telephonic or other communication media sufficient to facilitate the participation of each Director, for the purpose of conducting special meetings of the Foundation.

(D) *Meetings of Standing Committees or Project Committees.* Standing committees of the Foundation Board, together with project committees, may from time to time convene upon a call from the Chair or a majority of members of such standing or project committee at such time and in such manner as the Chair or a majority of such members may decide.

Section 8. Notice of Meetings.

Meetings of the Foundation shall take place pursuant to the and timely Notice of such meetings to the Directors, and shall ordinarily be accompanied by a draft agenda for such meeting, as set forth below.

(A) *Annual Organization Meetings.* Notice of the time, date, and place of the Annual Organization Meeting of the Foundation shall be issued to all Directors by the President of the Foundation not less than fourteen (14) days prior to such meeting, and shall be accompanied by an Agenda to be adopted by the Directors at such time as the meeting convenes. Such notice and its accompanying agenda must be effected in written form, which must be sent to the mail or e-mail address of record for each Foundation Director. Requirements of Notice pursuant to this Section may not be waived.

(B) *Regular Business Meetings.* Notice of the time, date, and place of Regular Business Meetings of the Foundation shall be issued to all Directors by the President of the Foundation not less than seven (7) days prior to such meeting, and shall be accompanied by an Agenda to be adopted by the Directors at such time as the meeting convenes. Such notice and its accompanying agenda must be effected in written form, which must be sent to the mail or e-mail address of record for each Foundation Director. Requirements of Notice pursuant to this Section may be waived for good cause shown.

(C) *Special Meetings.* Notice of the time, date, and place of Special Meetings of the Foundation shall be issued to all Directors by the President of the Foundation, or by each Director participating in such call if other than the President, not less than three (3) days prior to such meeting, and shall be accompanied by an Agenda to be adopted by the Directors at such time as the meeting convenes. Such notice and its accompanying agenda must be effected in written form, which must be sent to the mail or e-mail address of record for each Foundation Director. Requirements of Notice taken pursuant to this Section may be waived for good cause shown, but all actions taken during such meetings must be ratified by an affirmative vote of two-thirds (2/3) of the Directors at the next Annual Organizational Meeting or Regular Business Meeting.

(D) *Meetings of Standing Committees or Project Committees.* Notice of the time, date, and place of meetings of any Standing or Project Committees shall be issued to all members of such committee by the President of the Foundation or designee or by the Chair of such committee, at any time, and need not be accompanied by a specific agenda. Such notice must be effected in written form, which must be sent to the mail or e-mail address of record to each member of such committee. A report of all actions taken during such meetings shall be recorded and submitted to the President and Secretary of the Foundation, and such actions shall be subject to ratification by the full Foundation Board at the next Annual Organizational Meeting or Regular Business Meeting.

(E) *Form of Notice.* Notice shall be provided in accordance with these provisions, and shall fairly and accurately reflect the time and date of all meetings. Where required in these Bylaws, Notice shall contain an agenda, which shall fairly and accurately describe the business to be considered by the Foundation at such meeting. Notice shall be provided in written form. Notice shall be issued to the Directors of the Foundation in accordance with these Bylaws either by mail, e-mail, or other electronic medium, and shall be directed to each Director at his or her physical address, e-mail address, or other address of record.

(F) *Waiver of Notice.* Except as otherwise provided in these Bylaws, a Director may waive the requirement of Notice by providing a written statement executed before, during, or following a meeting, and such waiver shall be deemed equivalent to proper Notice. Such written waiver may be communicated by e-mail or other means of electronic communication.

Section 9. Meeting Quorum and Voting.

A majority of the Directors shall constitute a quorum of the Foundation for the conduct of business. Concurring votes of at least a majority of Directors present at a meeting shall be required to approve any action taken by the Foundation, except where specifically otherwise provided in these Bylaws. Each Director shall have one vote, except that the Chief Executive Officer of the FSMB, sitting *ex officio*, shall have no vote. Voting by proxy is not permitted. Voting shall be permitted by electronic means, whether by e-mail or other appropriate means, where the Board is not physically present.

Section 10. Process for Acting Without a Meeting.

Any action required to be taken at a meeting of the Foundation Board may be taken without a meeting provided that prior written consent, specifically setting forth the nature of the action to be taken, shall then be executed by all Directors then in office waiving the need for a meeting and consenting to such action.

Section 11. Meeting Attendance Through Electronic Means.

Directors may participate and vote in any meeting of the Foundation Board by means of a telephone, web-based conferencing, or other communications medium which would permit all Directors attending the meeting to hear one another at the same time. Participation by a Director through these means shall constitute the presence of such Director at the meeting.

Section 12. Directors' Conflicts of Interest.

The Foundation Board shall adopt and remain subject to a Conflict of Interest Policy. This Policy will set forth a process to identify and address circumstances or interests which may serve to limit a Director's fair and impartial participation in the deliberations and decision-making of the Foundation Board. A "Conflict of Interest" as defined by such policy shall include, but may not be limited to, "any transaction by or with the Foundation in which a Director has a direct or indirect personal interest, or any transaction in which a Director is unable to exercise impartial judgment or otherwise to act in the best interests of the Foundation." A Conflict of Interest disclosure policy and disclosure statement shall be created by the Directors of the Foundation, and shall be executed by each new Director upon assuming office. It shall be the continuing duty of each Director to disclose any direct or indirect conflict to the President of the Foundation at any time he or she may recognize one to exist.

Section 13. Rules of Procedure and Order.

The President of the Foundation shall serve as Chair at all Annual Organizational Meetings, all Regular Business Meetings, and all Special Meetings of the Foundation, unless designated differently by the President. The Chair of any Standing Committee or Project Committee shall chair all meetings of such committees. Meetings of the Foundation shall be conducted in accordance with the current edition of the Sturgis Code of Parliamentary Procedure, except where this Code may conflict with the Articles of Incorporation of this corporation or these Bylaws, which shall then prevail.

Section 14. Conduct of Business.

The Foundation and its Committees may take action not inconsistent with these Bylaws without a meeting if written consent to the action signed by a majority of the Directors, or a majority of the members of any Committee acting within their authority, the minutes of which shall be recorded.

ARTICLE IV. COMMITTEES OF THE FOUNDATION

Section 1. Standing Committees of the Foundation for Governance.

There shall be two standing committees of the Foundation for the exercise of governance, the Executive Committee and the Finance Committee.

(A) *The Executive Committee.* The Executive Committee of the Foundation shall include the President of the Foundation as Chair, the Vice President, and Treasurer of the Foundation, together with the Chair of the FSMB Board of Directors, and the CEO of the FSMB. It shall be the role of the Executive Committee to manage the Foundation and its affairs on a day to day basis, subject to ratification of the Foundation Board of Directors at Regular Business Meetings.

(B) *The Finance Committee.* The Finance Committee of the Foundation shall include the Treasurer of the Foundation as Chair, together with the President of the Foundation, the Chair of the FSMB Board of Directors, the CEO of the FSMB, and not less than two other members who shall be designated from time to time by the President of the Foundation.

Section 2. Program, Organizational, and *Ad Hoc* Committees.

Subject to the ratification of the Board, the President may from time to time designate and appoint program, organizational, and *ad hoc* committees, and designate the Chair thereof, as necessary to conduct and oversee the ongoing business of the Foundation, particularly with respect to education and research initiatives, and to consider nominations for directorships and officers of the Foundation. These committees shall operate with such budget and such authority as may be granted by the Directors of the Foundation. Except for an organizational committee, program and *ad hoc* committees may be comprised of individuals who are not Directors of the Foundation or Fellows of the FSMB, although all program and *ad hoc* committees shall be chaired by a Director of the Foundation.

Section 3. Appointment of Members to Committees.

The President of the Foundation shall appoint a member to all Program and *Ad Hoc* Committees, in consultation with the project Chair of each such committee, which appointment shall be subject to ratification by the Foundation Board.

ARTICLE V. OFFICERS, ELECTIONS, AND TERMS OF OFFICE

Section 1. Officers of the Foundation.

The Officers of the Foundation shall consist of a President, Vice President, Treasurer, and Secretary. The President, Vice President, and Treasurer shall be Directors of the Foundation, and shall be elected every three (3) years by the Foundation Board at its Annual Organizational Meeting, and shall hold office until their successors in office have been elected. The Secretary of the Foundation shall be the Chief Executive Officer of the FSMB, who shall serve for such time as he or she shall hold that position.

Section 2. The President.

The President of the Foundation shall be the principal officer of the Foundation, and shall in general

supervise the affairs of the Foundation. The President shall preside at all meetings of the Foundation, and shall exercise and perform all duties customary to the office in accordance with these Bylaws and parliamentary procedures, together with such other duties as the Board of the Foundation may from time to time determine.

Section 3. The Vice President.

The Vice President shall perform the duties of the President during the President's absence, during such times as the President may be unable to act, or at such times as the President may request. The Vice President shall otherwise exercise and perform all duties customary to the office in accordance with these Bylaws and parliamentary procedures, together with such other duties as the Board of the Foundation may from time to time determine.

Section 4. The Treasurer.

The Treasurer shall perform all duties customary to that office, and shall ensure that all accounts maintained by or on behalf of the Foundation are properly maintained and audited in a timely matter and in accordance with accepted standards of accounting. The Treasurer shall be responsible for collecting all accounts receivable and paying all accounts payable of the Foundation, and shall Chair the Finance Committee. The Treasurer shall furnish all accounting records and audit reports to the Foundation board. The Treasurer shall otherwise exercise and perform all duties customary to the office in accordance with these Bylaws and parliamentary procedures, together with such other duties as the Board of the Foundation may from time to time determine.

Section 5. The Secretary.

The Secretary shall maintain all corporate records of the Foundation, and may at the direction of the President issue such notices, agenda, and correspondence as may be required from time to time in the conduct of the business of the Foundation. The Secretary shall otherwise exercise and perform all duties customary to the office in accordance with these Bylaws and parliamentary procedures, together with such other duties as the Board of the Foundation may from time to time determine.

Section 6. Removal of an Officer.

An Officer may be removed with or without cause at a Regular Business Meeting of the Board upon due notice and upon a vote of a two-thirds (2/3) of the Board, if in the judgment of the Board the best interests of the Foundation would be served thereby. The removal of a Director as an Officer of the Foundation shall not otherwise affect her or her status as a Director.

Section 7. Vacancies of Office.

In the event the office of Vice President or Treasurer shall become vacant, the President shall appoint a Director to fill such office for its remaining term. In the event the office of President shall

become vacant, the Vice President of the Foundation shall fill such office for its remaining term. In the event that the Chief Executive Officer of the FSMB shall be temporarily unavailable to serve as Secretary, the President may designate a Secretary *Pro Tempore*.

ARTICLE VI. INDEMNIFICATION OF DIRECTORS

Section 1. Scope of General Indemnification.

The Foundation shall indemnify any present or former Director, officer, or employee against any and all expenses or liability incurred in connection with any claim, action, suit, investigation or proceeding in which he or she is named as a party, a witness, or a person of interest by reason of his or her service on behalf of the Foundation, provided that he or she was serving at the request of the Foundation in connection with the matter in issue, if he or she acted in good faith and upon the reasonable believe that his or her actions were in the best interests of, and not otherwise opposed to, the interests of the Foundation, and, with respect to any alleged criminal action, had no reasonable cause to believe that his or her actions were unlawful. There shall be no indemnification for matters in which he or she shall be adjudged liable to the Foundation for damages arising out of his or her gross negligence or intentional conduct in the performance of a duty to the Foundation.

Section 2. Disposition of Action, Presumptions.

To the extent that a present or former Director, officer, or employee of the Foundation has been successful in the defense of any action on its merits, such person shall be indemnified against expenses actually and reasonably incurred in such defense, provided that the individual acted in good faith and in a manner he or she reasonably believed to be in the best interests of, and not otherwise opposed to, the Foundation. The termination of any action, suit, claim, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person failed to act in good faith and in a manner in which such person reasonably believed to in or opposed to the best interests of the Foundation, or that the individual had any reason to believe that his or her conduct was unlawful.

Section 3. Expenses Subject to Indemnification.

Expenses subject to indemnification may include, but shall not be limited to, reasonable attorneys' fees and court costs, judgments, fines, penalties, or settlements paid by any Director, officer, or employee of the Foundation. The Foundation may advance reasonable expenses in advance of a final disposition if the Director, officer, or employee submits a sworn affirmation that he or she acted in good faith which may be demonstrated objectively, and that he or she shall repay such expenses if it is determined that he or she is not determined to indemnification by virtue of the factual development or ultimate disposition of a matter.

Section 4. Determination of Indemnification.

Upon request of any Director, officer, or employee of the Foundation who is subject to any action,

suit, claim, or proceeding for which indemnification is possible, the Foundation Board may by majority vote of a quorum not consisting of the a Director who is party to such action determine whether such request may be approved. In the event that the Foundation Board is unable to achieve a quorum to consider this issue, or in the event that the Foundation Board unable to render such decision, independent legal counsel may be retained to review and determine the matter, the cost for which shall be borne by the Foundation.

Section 5. Indemnification Contractual in Nature.

The obligations of the Foundation to provide indemnification pursuant to this Article shall be contractual in nature, such that no amendment, modification, or repeal of any provision of this Article shall be effective to the detriment of any Director, officer, or employee for whom such obligation may arise provided that liability for the act or omission giving rise to any need for indemnification shall have proceeded such amendment, modification, or repeal of any provision of this Article.

Section 6. Other Rights and Remedies.

The indemnification provided under this Article shall not be deemed exclusive of any other right or remedy to which a Director, officer, or employee may be entitled, as may be determined upon a vote of the disinterested Directors.

Section 7. Insurance.

The Foundation Board may direct the Foundation to purchase and maintain insurance at the Foundation's expense to protect the Foundation, together with any Director, officer, or employee against any liability incurred arising out of his or her conduct, actions, or status as a Director, officer, or employee.

ARTICLE VII. AMENDMENT OF THE BYLAWS

These Bylaws may from time to time be amended, repealed, modified, or altered upon a vote of not less than two-thirds (2/3) of the Directors, and upon due notice of a meeting designated for that purpose, which shall include in the accompanying agenda such amendments, repeal, or modification as may be proposed to the Bylaws.

ARTICLE VIII. DISTRIBUTION OF ASSETS UPON DISSOLUTION

In the event of the dissolution of the Foundation, the assets of the Foundation shall be applied first to the satisfaction of all liabilities of the Foundation, and shall thereafter tender all remaining assets to the Federation of State Medical Boards. If the Federation of State Medical Boards declines to accept such assets, the Foundation shall thereafter dispose of all remaining funds to such organizations as may exist and operate for charitable, educational, religious, or scientific purposes as shall at that time qualify as exempt entities under Section 501(c)(3) of the Internal Revenue of Code, as determined by the Foundation Board.

ARTICLE IX. MISCELLANEOUS PROVISIONS

Section 1. The Fiscal Year.

The Foundation shall designate certified public accountants to undertake annual audits for each fiscal year. The fiscal year of the Foundation shall commence annually on May 1, and end on April 30.

Section 2. Fiduciary Bond.

If required by the Board, any Director, officer, employee or agent of the Foundation or other who is acting in a fiduciary capacity and who is responsible for the receipt, custody, management, or disbursement of funds shall give bond securing the faithful performance of his or her duties, which shall be in such amount and form as the Foundation may from time to time require.

Section 3. Effective Date of These Bylaws.

These Bylaws shall take effect immediately upon adoption by the Board.

Section 4. Governing Laws and Venue.

These Bylaws shall be governed by the laws of the State of Texas, notwithstanding the organization of this Foundation in the State of Illinois. Any dispute arising under or in connection with these Bylaws shall be determined in accordance with the laws then prevailing in the State of Texas, and exclusive jurisdiction shall lie for the adjudication of such issues as may be in dispute shall lie in the courts of Tarrant County, Texas. Nothing contained herein shall limit the authority of the Directors of the Foundation from transferring the organization of record from the State of Illinois to the State of Texas, providing that such transfer shall in no way affect the Foundation's status as a not-for-profit organization.

Adopted on January 29, 2008

Adopted as Amended on February 26, 2009

Adopted as Amended on July 19, 2011

Adopted as Amended on February 8, 2014