

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

ARTICLE I: NAME, PURPOSE, POWERS, LOCATION

Section 1. Name. The name of this corporation is The Federation of State Medical Boards Research and Education Foundation (the “Foundation”).

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

- a) further the public 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 the results of such research available to the interested public;
- b) further the public interest by conducting or promoting scientific and scholarly study of the underlying causes of reported disciplinary actions against physicians, and to take or support such action as may be appropriate to improve the quality of health care provided to the general public by encouraging the elimination or minimization 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; and
- e) expand public knowledge and awareness of new trends and standards for medical licensure, regulation and practice by developing and conducting educational and publication 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 Corporation Act.

Section 4. Location. The principal location of the Foundation shall be 400 Fuller Wiser Road, Suite 300, Euless, Texas 76039, or such other location as the Board of Directors of the Foundation (the “Foundation Board”) may determine, and the Foundation may hold property at such other locations as the Foundation Board may elect.

ARTICLE II: MEMBERS

The Foundation shall have no members.

ARTICLE III: BOARD OF DIRECTORS

Section 1. General Powers. The property, business, and affairs of the Foundation shall be managed by the Foundation Board which may exercise all 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 eight (8) directors (the "Directors"); one of whom shall be the chief executive officer of the Federation of State Medical Boards (the "FSMB"), a Nebraska nonprofit corporation; one of whom shall be the Chairman of the Board of Directors of the FSMB (the "FSMB Board"); a minimum of three (3) of whom shall be elected from among the Fellows or Honorary Fellows of the FSMB; and up to three (3) may be persons elected at large.
- (b) Each of the Directors shall have the right to vote except for the chief executive officer of the FSMB who shall be a non-voting member.

Section 3. Term of Office.

- (a) Directors shall be elected for three-year terms by the FSMB Board; such terms for Directors shall be staggered. Directors, other than the FSMB chief executive officer and the Chair of the FSMB Board who shall serve as Directors for so long as they hold such offices, may serve up to two full three-year terms. Directors need not be residents of the State of Illinois.
- (b) At the end of two full three-year terms, a Director shall rotate off the Foundation Board for a period of at least one year, after which she or he would be eligible for re-election to one additional three-year term.
- (c) The FSMB Board shall elect Foundation Directors at a meeting of the FSMB Board. At the time of his or her election, the FSMB Board shall assign each Director to Class A, Class B or Class C, and an effort shall be made to keep each class of Directors of approximately equal size. Each Director, other than the Chairman of the FSMB Board and the FSMB chief executive officer, shall hold office for a term of three years, except that for the Directors elected in 2009:
 - i. Directors in Class A shall have their term expire in 2010 (and every three years thereafter);
 - ii. Directors in Class B shall have their term expire in 2011 (and every three years thereafter); and
 - iii. Directors in Class C shall have their term expire in 2012 (and every three years thereafter).

Section 4. Vacancies. The FSMB Board shall fill by election any vacancy occurring on the Foundation Board. A new Director elected to fill a vacancy shall serve for the unexpired term of his or her predecessor in office.

Section 5. Compensation. Directors shall not be compensated for their services as members of the Foundation Board or as members of a Foundation committee. When authorized by the Foundation Board, Directors shall be entitled to reimbursement for 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 that capacity. Directors who serve as salaried officers, employees or agents of the Foundation shall not participate in any vote of the Foundation Board with respect to their compensation.

Section 6. Resignation. Any Director may resign at any time by giving written notice to the President of the Foundation Board (the "President"). Such resignation shall take effect at the time specified in the written notice, or, if no time is specified, at the time it is accepted as determined by the President.

Section 7. Regular Meetings. Regular meetings of the Foundation Board shall be held each year, at such time, day and place as shall be designated by the Board.

Section 8. Annual Organizational Meeting. An annual meeting of the Foundation Board shall be held each year, 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.

Section 9. Special Meetings. Special meetings of the Foundation Board may be called by the President or by a majority of the Directors upon three (3) days notice.

Section 10. Notice. Notice of the time, day, and place of any regular or annual organizational meeting of the Foundation Board shall be given at least ten (10) days prior to the meeting and in the manner set forth in Article VI, section 2. The purpose for which a special meeting is called shall be stated and at least three (3) days notice shall be provided. A Director may waive notice of any meeting as set forth in Article VI, section 1.

Section 11. Quorum. A majority of the serving Directors shall constitute a quorum of the Foundation Board for the transaction of business and the concurring votes of at least a majority of the Directors present at the meeting shall be required for any action taken by the Foundation Board. Each Director shall have one vote, except for the chief executive officer of the FSMB who shall be a non-voting member. Voting by proxy is not permitted.

Section 12. Process for Acting without a Meeting. Any action that is required to be taken, or that may be taken, at a meeting of the Foundation Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the Directors then in office.

Section 13. Presence through Electronic Means. Directors may participate in a meeting of the Foundation Board by means of a telephone conference or similar communications equipment which

provides that all persons participating in the meeting can hear one another at the same time and participation by such means shall constitute presence in person at a meeting.

Section 14. Conflicts of Interest. The Foundation Board shall adopt and be subject to a Conflict of Interest Policy. The Policy will set forth a process to address circumstances or interests that might limit a Director's fair and impartial participation in Foundation Board deliberations or decisions. "Conflict of interest," shall include but shall 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 act in the best interests of the Foundation.

Section 15. Rules of Order. Meetings of the Foundation Board and its committees shall be conducted in accordance with Sturgis Standard Code of Parliamentary Procedure, current edition, except when in conflict with the Articles of Incorporation or these Bylaws, in which case the Articles of Incorporation or these Bylaws shall prevail.

ARTICLE IV: COMMITTEES

Section 1. Formation of Committees.

(a) The Foundation Board, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each consisting of three or more members, which committees shall have and exercise the authority of the Foundation Board in the governance of the Foundation. A majority of the members of such committees shall be Directors serving on the Foundation Board. The President, subject to the approval of the Foundation Board, shall appoint members to such committees. The President shall serve as an ex officio, non-voting member of each committee for so long as he or she serves as President. However, no committee shall have the authority to amend or repeal the Foundation's Articles of Incorporation or these Bylaws; elect or remove any officer or Director; adopt a plan of merger or consolidation with another organization; or authorize the voluntary dissolution of the Foundation. Each committee will operate pursuant to a charter approved by the Foundation Board.

(b) The Foundation Board may create such other committees or bodies, including advisory committees, as deemed appropriate. The President, subject to the approval of the Foundation Board, shall appoint members to such committees who need not be Directors. Such advisory committees shall have the duties designated by the Foundation Board, and shall give advice and make non-binding recommendations to the Foundation Board. These advisory committees may not act on behalf of the Foundation nor bind it to any action. Each advisory committee will operate pursuant to a charter approved by the Foundation Board.

Section 2. Term of Office. Each member of a committee shall serve for one year until the next annual meeting of the Foundation Board and until a successor has been appointed and taken office, unless the committee is sooner dissolved.

Section 3. Vacancies. Vacancies in the membership of committees shall be filled by the President subject to the approval of the Foundation Board.

Section 4. Conduct of Business. Each committee may adopt rules for its meetings not inconsistent with these Bylaws or with any rules adopted by the Foundation Board. A committee may take action without a meeting if written consent to the action is signed by all of the committee members and the written consents are filed with the minutes of the proceedings of the Foundation Board.

ARTICLE V: OFFICERS, ELECTION AND TERMS OF OFFICE

Section 1. Officers. The officers of the Foundation shall consist of a President, Vice President, Treasurer and Secretary. The President, Vice President and Treasurer shall be elected annually by the Foundation Board at its annual meeting and shall hold office until each of their successors have been elected and taken office. The chief executive officer of the FSMB shall serve as Secretary of the Foundation.

Section 2. Vacancies. A vacancy in any office other than President shall be filled for the unexpired term by election by the Foundation Board. A vacancy in the office of President shall be filled for the unexpired term by the Vice President of the Foundation.

Section 3. Removal. Any officer may be removed by a vote of at least two-thirds (2/3) of the Directors of the Foundation Board if, in the judgment of the Foundation Board, the best interests of the Foundation would be served thereby.

Section 4. President. The President 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 Board and shall perform duties customary to the office and exercise such other rights and customs as the Bylaws and parliamentary usage may require or as the Foundation Board deems appropriate.

Section 5. Vice-President. The Vice-President shall perform the duties of the President during the President's absence, inability to act or at the request of the President.

Section 6. Secretary. The Secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, shall carry on all necessary correspondence for the Foundation Board, shall keep the minutes of all meetings of the Foundation Board, shall be the custodian of all the records of the Foundation, and in general shall perform such other duties as are incident to the office of Secretary or as may be assigned by the Foundation Board.

Section 7. Treasurer. The Treasurer shall perform the duties customary to that office and shall perform such other duties as the Bylaws and custom and parliamentary usage may require or as the Foundation Board may deem appropriate. The Treasurer shall ensure that an annual audit of financial accounts and records of the Foundation is performed by an independent Certified Public Accountant, and shall promptly submit such audit to the Foundation Board.

ARTICLE VI: NOTICE

Section 1. Waiver of Notice. Whenever notice is required to be given under the provisions of the Illinois General Not For Profit Corporation Act or under the provisions of the Foundation's Articles of Incorporation or these Bylaws, a Director or other person entitled to such notice may waive notice of any meeting by a written statement executed either before or after the meeting. Such a waiver shall be deemed equivalent to giving proper notice. In addition, attendance and participation at a meeting without objection to notice shall also constitute a waiver of notice.

Section 2. Form of Notice. Whenever under the provisions of the General Not For Profit Corporation Act of Illinois or under the provisions of the Foundation's Articles of Incorporation or these Bylaws notice is required to be given to a director, officer or committee member, such notice shall be given in writing by first-class mail or overnight delivery service with postage prepaid to such person at his or her address as it appears on the records of the Foundation. Such notice shall be deemed to have been given when deposited in the mail or the delivery service. Notice may also be given by facsimile, electronic mail or hand delivery, and will be deemed given when received.

ARTICLE VII: INDEMNIFICATION

Section 1. Scope. The Foundation shall indemnify to the fullest extent authorized by Illinois law any present or former Director, officer or employee against any and all expenses and liabilities incurred by him or her in connection with any claim, action, suit, investigation or proceeding to which he or she is made a party by reason of being a Director, officer or employee of the Foundation, or if he or she was serving at the request of the Foundation as a director or officer of another foundation, partnership, joint venture or other enterprise, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Foundation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. However, 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 own gross negligence in the performance of a duty to the Foundation

Section 2. Termination of Action. To the extent that a present or former Director, officer or employee of the Foundation has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses actually and reasonably incurred by such person if that person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Foundation. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* (no contest) or its equivalent, shall not, of itself, create a presumption that:

- (a) the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Foundation, and
- (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

Section 3. Indemnification Payments. Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, counsel fees and other fees; costs and disbursements; and judgments,

finances and penalties against, and amounts paid in settlement by, such Director, officer or employee. The Foundation may pay for or reimburse reasonable expenses incurred by a current or former Director, officer or employee in advance of the final disposition of the proceeding if such person provides a written affirmation of his/her good faith belief that he/she has met the standard of conduct under Illinois law and that he/she agrees in writing to repay such expenses if it should be ultimately determined that he or she is not entitled to indemnification under this Article.

Section 4. Procedure for Determining Permissibility. To determine whether any indemnification or advance of expenses under this Article is permissible, the Foundation Board by a majority vote of a quorum consisting of Directors not parties to such action, suit or proceeding may, and on request of any person seeking indemnification or advance of expenses, shall be required to determine whether the applicable standards under Illinois law have been met. This determination shall be made by independent legal counsel if such quorum is not obtainable or, even if obtainable, a majority vote of a quorum of disinterested Directors so directs. The reasonable expenses of any Director, officer or employee in prosecuting a successful claim for indemnification, and the fees and expenses of any special legal counsel engaged to determine permissibility of indemnification or advance of expenses, shall be borne by the Foundation.

Section 5. Contractual Obligation and Effect of Amendment. The obligations of the Foundation to indemnify a Director, officer or employee under this Article, including the duty to advance expenses, shall be considered a contract between the Foundation and such Director, officer or employee and no amendment, modification or repeal of any provision of this Article shall affect, to the detriment of the Director, officer or employee, such obligations of the Foundation existing at the time of such amendment, modification or repeal.

Section 6. Indemnification Not Exclusive. The indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other right to which one indemnified may be entitled under any agreement, vote of disinterested Directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

Section 7. Insurance. The Foundation Board may authorize the Foundation to purchase and maintain insurance, at the Foundation's expense, to protect itself and on the behalf of any Director, officer, or employee against any liability incurred by him or her which arises out of such person's status as a Director, officer or employee, whether or not the Foundation would have the power to indemnify the person against that liability under Illinois law.

ARTICLE VIII: AMENDMENT OF BYLAWS

These Bylaws may be amended, repealed, or altered at any meeting of the Foundation Board by the affirmative vote of two-thirds (2/3) of the Directors, due notice of such meeting having been given, provided that the purpose to amend such Bylaws and a statement of the proposed amendment shall be included in the notice of the meeting.

ARTICLE IX: DISTRIBUTION OF ASSETS UPON DISSOLUTION

Upon the dissolution, the assets of the Foundation shall be applied and distributed as follows:

The Foundation Board shall, after paying or providing for the payment of all the liabilities of the Foundation, dispose of all the remaining assets exclusively for the purposes of the Foundation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provisions of the then current Internal Revenue Code), as the Foundation Board shall determine.

ARTICLE X: GENERAL PROVISIONS

Section 1. Fiscal Year. Each fiscal year, the Foundation Board shall designate a firm of independent certified public accountants to act as the auditors of the Foundation for such fiscal year. The fiscal year of the Foundation shall begin on May 1 of each year.

Section 2. Bond. If required by the Foundation Board, any officer, employee or agent of the Foundation who is responsible for the receipt, custody, or disbursement of funds shall give bond for the faithful performance of duties, which bond shall be in such form and amount as the Foundation Board may require.

Section 3. Effect. These Bylaws shall take effect immediately upon adoption.

Adopted as amended January 29, 2008
Adopted as amended February 26, 2009