

**SEVENTH AMENDED BYLAWS
OF
THE CHEST FOUNDATION**
(Adopted and effective June 25, 2016)

ARTICLE I

OFFICE

The CHEST Foundation (the "Foundation") shall maintain in the State of Illinois a registered office and a registered agent at such office. The Foundation may have other offices within or without the State of Illinois.

ARTICLE II

FOUNDATION OBJECTIVES

The principal objectives of the Foundation shall be (1) to at all times serve as a supporting organization of the American College of Chest Physicians ("CHEST"), as the term supporting organization is defined from time to time by the U.S. Internal Revenue Code, as amended, and rules and regulations promulgated thereunder and (2) to engage in those activities and projects, philanthropic and otherwise, which are approved by CHEST.

ARTICLE III

STATUTE CONTROLS

These Seventh Amended Bylaws (the "Bylaws") shall at all times be subject to the provisions of the General Not-For-Profit Corporation Act of 1986 of the State of Illinois, as amended (the "Act"). In the event of a conflict between the two, the provisions of the Act shall prevail. Although referred to herein as "Trustees" and as the "Board of Trustees", for all purposes under all applicable laws, the Foundation's Trustees shall be the Foundation's Directors and the Foundation's Board of Trustees shall be the Foundation's Board of Directors.

ARTICLE IV

MEMBERS

Section 1. **Number of Members.** The Foundation shall have only one Member which shall be CHEST. The vote of CHEST as the Foundation's Member on all matters on which the Foundation's Member is entitled to vote, shall be as authorized by CHEST's Board of Regents and shall be made by CHEST's President or if CHEST's President is not available or is unable to act, by CHEST's President-Elect or by such other person as shall be designated by CHEST's Board of Regents.

Section 2. **Voting Rights.** The Member shall be entitled to one vote on each matter that is submitted to a Member vote, which shall include, but not be limited to, voting on

nominees for Trustee, approval of the Foundation's budget, and such other lawful business as may come before the meeting.

ARTICLE V

MEMBER MEETINGS

Section 1. **Annual Meetings.** An annual Member meeting shall be held at such date and time in each year as shall be designated by the Foundation President or the Board of Trustees for the purpose of electing Trustees and for the transaction of such other business as may come before the meeting.

Section 2. **Special Meeting.** Special Member meetings may be called by the Foundation President, the Board of Trustees or the Member.

Section 3. **Place of Meeting.** The Foundation Executive Vice President and Chief Executive Officer (the "Foundation Executive Vice President") or the Foundation's Executive Director (the "Foundation's Executive Director") shall designate the place of all meetings for any annual or special meeting. If no designation is made or if a special Member meeting is otherwise called, the place of the meeting shall be the Foundation's registered office in the State of Illinois.

Section 4. **Notice of Meetings.** Written notice stating the place, date, and hour of any Member meeting shall be delivered to the Member not less than five nor more than forty days before the date of such meeting. Notice may be given by personal delivery, U.S. mail or electronic means (including but not limited to fax and e-mail). When required by statute or by these Bylaws, the purpose for which the meeting is called shall be stated in the notice. If by personal delivery, the notice shall be deemed delivered on the date of delivery. If mailed, the notice shall be deemed delivered when deposited in the United States mail, addressed to the Member at its address as it appears on the records of the Foundation, with postage thereon prepaid. If given by electronic means, (including but not limited to fax and e-mail), such notice shall be deemed delivered on the day it is sent.

Section 5. **Informal Action By Member.** Any action authorized to be taken at a Member meeting may be taken without a meeting if a consent in writing or by electronic means (including but not limited to fax or e-mail), setting forth the action so taken, shall be given or delivered by the Member with respect to the subject matter thereof.

Section 6. **Quorum.** If there ever shall be more than one Member, the Members holding a majority of the votes authorized to be cast at any Member meeting shall constitute a quorum at such meeting. If a quorum is not present at any Member meeting, a majority of the Members present may adjourn the meeting at any time without further notice. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting; withdrawal of Members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

Section 7. **Proxies.** A Member may authorize another person or persons to act for the Member by proxy pursuant to the Act but no such proxy shall be voted or acted upon after 11 months from its date, unless the proxy provides for a longer period.

ARTICLE VI

BOARD OF TRUSTEES

Section 1. **General Powers.** The affairs of the Foundation shall be managed by its Board of Trustees which shall be its board of directors.

Section 2. **Number, Tenure and Qualifications.**

a. The number of Trustees, including both elected leaders and at-large Trustees, shall be not less than fifteen nor more than nineteen Trustees, inclusive of all ex officio Trustees. Although there is no requirement that such a percent be elected, if so elected, up to twenty percent (20%) of the non-officer Foundation Trustees need not be CHEST members. Each Trustee shall hold office for the term to which each is elected and until each such Trustee's successor is elected and qualified.

b. One Trustee always shall be CHEST's President ("CHEST's President") then in office who shall serve as an ex officio Trustee without the right to vote so long as that person is CHEST's President. One Trustee always shall be CHEST's Immediate Past President ("CHEST's Immediate Past President") then in office who shall serve as an ex officio Trustee without the right to vote so long as that person is CHEST's Immediate Past President. One Trustee always shall be the Foundation's President (the "Foundation's President") who shall serve for a term of one year and who shall not be eligible for re-election. One Trustee always shall be the Foundation's President-Elect (the "Foundation's President-Elect") who shall serve for a term of one year and who shall not be eligible for re-election. One Trustee always shall be the Foundation's Immediate Past President (the "Foundation's Immediate Past President") who shall serve for a term of one year and who shall not be eligible for re-election. One Trustee always shall be the Foundation's President-Designate (the "Foundation's President-Designate") who shall serve for a term of one year and who shall not be eligible for re-election. One Trustee always shall be CHEST's Executive Vice President who shall serve as an ex officio Trustee without the right to vote for the length of time that person holds such position with CHEST. One Trustee always shall be the Foundation's Executive Director who shall serve as an ex officio Trustee without the right to vote for the length of time that person is the Foundation Executive Director.

Section 3. **At-large Trustee Classes.** With respect to the remaining at-large Trustees who are not described in Section 2 (b) of this Article, they shall be divided into two classes by Board of Trustees' resolution with terms to run as stated in the resolution. The prior resolution so dividing and establishing terms shall remain in effect following adoption of these Bylaws.

Section 4. **Election of Trustees.** All Trustees shall be appointed and elected by the Member, based upon recommendation from the Board of Trustees and the Nominations Committee, as described in Article IX below.

Section 5. **Term.** Except as otherwise provided herein, all at-large Trustees shall serve for a term of two years and shall be eligible to serve for two additional two-year terms. This limitation shall not apply to the time a Trustee also serves as an elected leader of the Foundation.

Section 6. **Regular Meetings.** A regular annual meeting of the Board of Trustees shall be held at such place as is designated by the Foundation's Executive Vice President or its Executive Director. The Board of Trustees may provide by resolution the time and date for the regular annual meeting, or additional annual meetings of the Board of Trustees without notice other than such resolution. The Foundation's Executive Vice President or its Executive Director shall designate the place of all regular meetings, which place shall be stated in any Board resolution.

Section 7. **Special Meetings.** Special meetings of the Board of Trustees may be called by, or at the request of, the President or any two Trustees. The Foundation's Executive Vice President or its Executive Director shall fix the place for all special meetings of the Board of Trustees.

Section 8. **Notice.** Notice of any special meeting of the Board of Trustees shall be given at least five days prior thereto by written notice to each Trustee at the Trustee's address (mailing, fax or e-mail, as the case may be) as shown by the Foundation's records. Notice may be given by an overnight courier with nationwide delivery such as Federal Express, United Parcel Services or DHL or by U. S. Mail or by electronic means (including, but not limited to fax and e-mail). If by courier, such notice shall be deemed delivered when deposited with the courier in an envelope of the type customarily provided by the courier. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with first class postage thereon prepaid. If notice is given by electronic means, (including fax or e-mail), such notice shall be deemed to be delivered on the day it is sent. Notice of any special meeting of the Board of Trustees may be waived by a writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a Trustee at any meeting shall constitute waiver of Notice of such meeting, except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Trustees need be specified in the notice or waiver of such meeting, unless specifically required by law or by these By-laws.

Section 9. **Quorum.** A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any Board meeting; provided, however, that if less than a majority of the Trustees are present at a meeting, a majority of the Trustees present may adjourn the meeting to another date, time and place without further notice. At least five days before the adjourned meeting is to take place, the Executive Director shall mail notice of the time, place and date of the adjourned meeting to all Trustees.

Section 10. **Manner of Acting.** The act of a majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless the act of a greater number is required by statute, these Bylaws, or the Foundation's Articles of Incorporation. A meeting of the Board of Trustees may be held by telephone conference call pursuant to Article XIV hereof.

Section 11. **Vacancies.** Any vacancy occurring in the Board of Trustees, or any Trusteeship to be filled by reason of any increase in the number of Trustees, shall be filled by the Board of Trustees. A Trustee elected to fill a vacancy shall be elected for the unexpired term of the Trustee's predecessor.

Section 12. **No Trustee Compensation/Expenses.** No Trustee in that person's capacity as a Trustee shall receive compensation. The Foundation's Executive Vice President or its Executive Director may authorize the payment to any Trustee of properly documented expenses which are approved by either of those officers and which are in accordance with CHEST's expense reimbursement guidelines in effect at that time, which guidelines shall be the Foundation's expense reimbursement guidelines.

Section 13. **Informal Action By Trustees.** (a) Any action required to be taken or which may be taken at a meeting of the Board of Trustees also may be taken without a meeting if a Consent in writing, setting forth the action so taken, shall be delivered or given by all of the Trustees entitled to vote with respect to the subject matter thereof. (b) The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken. Such written approvals shall include approvals by electronic means (including but not limited to fax or e-mail). All approvals evidencing consent shall be delivered to the Secretary to be filed in the corporate records. The action taken shall be effective when all Trustees have approved the Consent unless the Consent specifies a different effective date. (c) Any such Consent signed by all the Trustees shall have the same effect as a unanimous vote and may be stated as such in any document filed with the Illinois Secretary of State.

ARTICLE VII

OFFICERS

Section 1. **Composition of Officers.** The Foundation's officers shall be the Foundation President who shall be a CHEST Fellow; the Foundation President-Elect who shall be a CHEST Fellow; the Foundation Immediate Past President who shall be a CHEST Fellow; the Foundation's Executive Vice President who need not be a CHEST Fellow or CHEST Member and who shall at all times be the same person who holds the office of CHEST's Executive Vice President; the Foundation Executive Director who need not be a CHEST Fellow or CHEST Member, who shall be employed or terminated by the Foundation, who at all times shall be subject in all respects to the authority and supervision of the Foundation Executive Vice President as described herein, and such other officers with such qualifications and duties as may be determined and elected or appointed, as the case may be, by the Board of Trustees from time to time.

Section 2. **Election and Term of Office.** The Foundation's officers shall be elected by the Board of Trustees which election generally shall occur at the regular annual meeting of the Board of Trustees. The Foundation's President, President-Elect, and Immediate Past President each shall serve for a one-year term. The Foundation's Executive Vice President shall serve as such for so long as that person is CHEST's Executive Vice President. So long as the Foundation's Executive Director continues to be employed as such, the Foundation's Executive Director may serve as such for so long as that person is elected to that office by the Foundation's Board of Trustees, unless specifically provided otherwise in the Bylaws. If the election of the Foundation's officers is not held at the regular annual meeting of the Board of Trustees, such election shall be held as soon thereafter as practical. Vacancies may be filled, or new offices created and filled, at any meeting of the Board of Trustees. Unless specifically provided otherwise herein or by law, each elected officer shall hold office until that person's successor shall have been duly elected and qualified, or until that person's death, resignation or removal in the manner hereinafter provided. During their terms of office, the Foundation President, President-Elect, and Immediate Past President shall not also serve as an officer of any CHEST affiliated entity, specifically including the American College of Chest Physicians and CHEST Enterprises, Inc.

Section 3. **Officer Duties.** The Foundation officers shall have the duties described herein and such other duties as the Board of Trustees shall direct.

Section 4. **President.** The Foundation's President shall preside at all Board of Trustees meetings and shall establish the agenda for its meetings. Except in those instances in which the authority to execute is expressly delegated to another Foundation officer or employee or a different mode of execution is expressly authorized by the Board of Trustees pursuant to the Bylaws, the Foundation's President may execute for the Foundation any contracts, deeds, mortgages, bonds, or other documents which the Board of Trustees has authorized to be executed, and the Foundation's President may so execute either under, or without the seal of, the Foundation, according to the requirements of the form of the instrument. The Foundation President may vote all securities which the Foundation is entitled to vote except as and to the extent such authority shall be vested in a different Foundation committee, officer or agent by the Board of Trustees. The Foundation's President shall appoint special committees, their members and chairs and the members and chairs of all standing and ad hoc committees whose membership and chairs are not otherwise provided for in these Bylaws; and shall serve as an ex-officio member of all committees. The Foundation President shall serve as a voting member of the CHEST Board of Regents and as an ex officio member of the Joint Finance Oversight Committee during his/her one-year term as President of the Foundation. In the event of death, incapacity (in the judgment of the Board of Trustees), or resignation or removal from the office of the President, the President-Elect shall assume the office of President for the remainder of the President's term and then succeed to the office of President.

Section 5. **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 consistent with the office of President-Elect as may be assigned from time to time by the Board of Trustees. In the absence of the Foundation President, the President-Elect shall preside at meetings of the Foundation's Board of Trustees. The President-Elect shall serve as an ex officio member of the Joint Finance Oversight Committee and as a voting member of the

Foundation Nominations Committee. The Foundation President-Elect shall assume the duties and have all the powers of the President if the President is absent or otherwise unavailable. The President-Elect shall succeed to the office of President upon the conclusion of the President's term. In the event of death, incapacity (in the judgment of the Board of Trustees), or resignation or removal from the office of the President-Elect, the President-Designate shall assume the office of President-Elect for the remainder of the President-Elect's term and then succeed to the office of President-Elect.

Section 6. Immediate Past President. The Foundation Immediate Past President shall be a spokesperson to donors and assist in the Foundation's fundraising and in evaluating the Foundation's philanthropic programs. The Foundation's Immediate Past President shall serve as Chair of the Foundation Nominating Committee.

Section 7. Executive Vice President. The Foundation Executive Vice President shall be the Foundation's Chief Executive Officer, shall have the authority and duties attendant to that position and in particular shall supervise and direct all Foundation administrative functions and operations which shall include but not be limited to the employment, determination of compensation, assignment of duties, determination of titles and termination of employment of all Foundation staff and administrative personnel, including but not limited to the Vice President; the hiring and termination of providers of goods and services including but not limited to those providing legal services, accounting services, printing, insurance and financial services; preparation of such budgets and financial statements as the Foundation Executive Vice President deems necessary or desirable or as are directed by the Board of Trustees; and approval of all expenses. With the exception of contracts which Illinois law or these Bylaws or the Board of Trustees require to be executed by another Foundation officer or agent, the Foundation Executive Vice President shall have the authority to sign all contracts relating to the operation of the Foundation. The Foundation Executive Vice President also shall perform such other duties as may be assigned from time to time by the Board of Trustees. From time to time, as the Foundation Executive Vice President deems necessary or appropriate, the Foundation Executive Vice President may delegate any duties of the Foundation Executive Vice President to the Foundation Executive Director.

Section 8. Executive Director. Subject to the authority and direction of the Foundation Executive Vice President, the Foundation Executive Director shall direct all day-to-day Foundation operations and implement all Board of Trustees and Foundation Executive Committee policy directives. Except for the Foundation Executive Vice President, the Foundation Executive Director shall be a primary liaison with the Board of Trustees, and shall function as a liaison for all Foundation committees, boards, forums and groups, and all task forces authorized by the Board of Trustees. The Foundation Executive Director shall be accountable for the attainment of all Foundation annual and strategic programs and fundraising goals, and shall assure that all required notices are duly given, keep or cause to be kept minutes of meetings of the Member and Board of Trustees, and certify as to the accuracy of resolutions and actions by the Board of Trustees. Subject to the authority of the Foundation Executive Vice President, the Foundation Executive Director shall be responsible for the fiscal oversight of the Foundation's annual operating budget, and shall work in collaboration with the Joint Finance Oversight Committee and CHEST's Chief Financial Officer to monitor its investments, and to create and maintain Foundation investment policies.

Section 9. **Compensation of Certain Officers.** Except for the Foundation Executive Vice President and the Foundation Executive Director, although they can be reimbursed for expenses, the Foundation's other officers shall not receive any compensation for their services in their capacities as Foundation officers. Nothing herein contained shall be construed to preclude any Foundation officer from serving in any capacity with another entity and receiving compensation from such entity; provided, however, that such services shall not violate any Foundation's conflict of interest policy.

Both the Foundation Executive Vice President and its Executive Director shall be entitled to be compensated for their services. The compensation of the Executive Vice President shall be determined by CHEST's Compensation Committee acting on behalf of CHEST as the Foundation Member. The compensation of the Foundation Executive Director shall be determined by the Foundation Executive Vice President with the prior approval of CHEST's Compensation Committee acting on behalf of CHEST as the Foundation Member.

Section 10. **No Vote On Own Compensation.** If the Foundation Executive Vice President or the Foundation Executive Director is a member of the body which votes on that person's compensation, that person shall leave the room at the time that the subject of that person's compensation comes before that body and that person shall not vote on that subject.

Section 11. **Removal.** Except for the Foundation's Executive Vice President who may not be removed so long as that person is CHEST's Executive Vice President, subject to any written contract rights, any officer elected or appointed by the Board of Trustees may be removed by the majority vote of the Board of Trustees whenever in the Board's judgment removal would serve the best interests of the Foundation.

ARTICLE VIII

COMMITTEES/FORUMS/BOARDS/WORK GROUPS

Section 1. **Trustees' Committees.** In addition to the Foundation Executive Committee, the Board of Trustees, by resolution adopted by majority vote may designate one or more committees, each of which shall consist of two or more Trustees, which committees, to the extent provided in said resolution and not restricted by law, shall have and exercise the authority of the Board of Trustees in the management of the Foundation; but the designation of any such committee and the delegation thereto of authority shall not relieve the Board of Trustees, or any individual Trustee, of any responsibility imposed upon it or that person by law.

Section 2. **Standing Committees/Forums/Work Groups.** The Foundation shall have the standing committees, forums and work groups described below. Unless otherwise expressly provided in these Bylaws, the Chair and each member of any such standing committee, forum or work group shall be appointed by the Foundation's President in consultation with the Foundation's Executive Director and each such body shall have the number of members which the Foundation's President, in consultation with the Foundation's Executive Director, shall determine. Each such committee shall have the duties assigned below and also shall have such other duties as the Board of Trustees may determine.

a. Awards Committee. There shall be an Awards Committee which shall administer all Foundation grants and awards. At a Committee meeting, the decision of a majority of a quorum of the Committee members shall be the decision of the Committee. The Committee also may take action at a meeting by written consent, by conference telephone or by electronic means (including fax and e-mail). The Committee's actions and minutes of any of its meetings shall be maintained in the Foundation's records. Five (5) days' notice of Committee meetings shall be given by mail or electronic means (including fax or e-mail).

b. Nominations Committee. There shall be a Nominations Committee which shall consist of the Foundation's Immediate Past President, the Foundation's President, the Foundation's President-Elect, CHEST's President, the Foundation's most recent Immediate Past President preceding the current Immediate Past President, and two at-large members of the Board of Trustees to be selected by the Foundation President. The Foundation's Executive Vice President and its Executive Director shall be nonvoting ex-officio members of the Committee.

(1) The Foundation's Immediate Past President shall serve as the Committee Chair. In the Immediate Past President's absence, the Foundation's President shall serve as Committee Chair.

(2) A quorum at a Committee meeting shall be a majority of the voting Committee members. The decision of a quorum of a majority of its members shall be the decision of the Committee. The Committee may take action at a meeting, by written consent, by conference telephone and then confirmed in writing or by electronic means (including fax and e-mail). The Committee's actions and minutes of any of its meetings shall be maintained in the Foundation's records. Five (5) days' notice of Committee meetings shall be given in person, by mail or electronic means (including fax or e-mail).

(3) The Committee annually shall nominate by August 31st of each year (unless the Foundation's Board of Trustees shall otherwise direct), nominees for all Foundation Officers and Trustees to serve for the periods provided herein. Unless otherwise directed by the Board of Trustees, the Committee shall submit its list of nominees to the Foundation's Executive Director and the Board of Trustees, requesting approval of the recommendations. The Board of Trustees then votes to approve or disapprove of each nominee and submits the names of all approved nominees to the Member at least 7 days prior to the Foundation Member's annual meeting, for Member vote and approval. There shall be no nominations from the floor at any Board of Trustees' annual meeting; provided, however, that candidates also may be proposed by any of the Board of Trustees, the Foundation's Member or by a Trustee.

(4) When the Board of Trustees determines that it is desirable to do so, the Nominations Committee shall recommend and the Board of Trustees shall establish procedures for persons to apply to the Committee as candidates for Foundation offices and trusteeships.

c. Joint Finance Oversight Committee.

(a) Composition. There shall be a Joint Finance Oversight Committee of the Foundation and CHEST consisting of two At-Large Members of the Board of Regents of CHEST, one of whom shall be appointed as Chair by the President-Elect of CHEST, two at-large Members of the Foundation Board of Trustees appointed by the CHEST Foundation President, and three Members At-Large to be selected by the CHEST President-Elect and the CHEST Foundation President, one of whom shall serve as Vice Chair. The CHEST President, the CHEST President-Elect, the Foundation President, the Foundation President-Elect, CHEST Executive Vice President, and the Foundation's Executive Director will serve as Ex officio Members of the Committee without the right to vote.

(b) Term. Each member of the Committee shall serve for a term of two (2) years and may be reappointed to serve two (2) additional two (2) year terms except that the At-Large Member of the Board of Regents not serving as Chair shall serve an initial term of three (3) years. The Chair shall serve a two (2) year term and may be reappointed to serve one additional two (2) year term. The Vice Chair shall serve a two (2) year term and may be reappointed to serve additional two (2) year terms.

(c) Duties and Responsibilities. The Committee shall have general oversight over the finances, investments, financial systems, audits, budgets and such other matters relating to the finances and investments of CHEST and Foundation as may be assigned from time to time by the Board of Regents of CHEST and the Board of Trustees of the Foundation.

(d) Subcommittees. The Committee shall have three subcommittees: the Finance, Budget and Debt Service Subcommittee; the Audit Subcommittee; and the Investment Subcommittee. A Chair will be appointed by the members of the Committee from among the members of the Committee to lead each of the Subcommittees. The Chair shall serve for a two (2) year term and may be reappointed for one additional two (2) year term.

(1) The Finance, Budget and Debt Service Subcommittee shall:

(i) monitor the financial activities of CHEST and Foundation on a monthly basis and present key metrics to the Board of Regents and the Board of Trustees;

(ii) provide guidance on the preparation, presentation and passage of the annual operating budgets of CHEST and Foundation;

(iii) review any financing plans related to a building project or other financing arrangement, the associated debt covenants, and related reporting to the Internal Revenue Service;

(iv) oversee the preparation of the capital budget and monitor its implementation; and

(v) review Form 990 and ensure it is distributed to the Board of Regents and the Board of Trustees.

(2) The Audit Subcommittee shall:

(i) evaluate the performance of internal auditors (if applicable) and ensure the adequacy of financial controls and financial reporting;

(ii) review the performance of the external audit team from an accounting, tax, and audit perspective and when needed lead the search for a new auditing firm;

(iii) analyze external auditor certifications, reports, opinions and audit results; and

(iv) ensure that conflicts of interest and other new audit and regulatory changes are addressed.

(3) The Investment Subcommittee shall:

(i) design and administer CHEST's and Foundation's investment program;

(ii) develop an investment program with diverse risk characteristics across a variety of asset classes;

(iii) supervise, evaluate and recommend for approval by the Board of Regents and Board of Trustees the retention and termination of investment trustees, investment managers, financial consultants, and financial custodians;

(iv) direct the investment and management of CHEST and Foundation assets, including:

- approving asset allocation ranges and targets;
- authorizing periodic asset rebalancing;
- approving investment performance benchmarks; and
- monitoring investment performance.

(v) Approve contracts with financial providers.

d. Standing Committee Rules. A Standing Committee may adopt rules for its own internal procedures which, however, must not be inconsistent with these Bylaws or with any rule or rules adopted by a resolution of the Board of Trustees. Standing

Committee rules may be superseded at any time by resolutions or rules of the Board of Trustees.

Section 3. Other Boards/Committees/Forums/Work Groups. Other Foundation boards, committees, forums or work groups, standing or ad hoc which do not have and exercise the authority of the Board of Trustees may be created by a resolution adopted by the Foundation's Board of Trustees. With respect to such other boards, committees, forums and work groups, the following shall apply as to all governance matters not otherwise expressly provided for herein:

a. Appointment of Members. The Foundation President, in consultation with the Foundation Executive Director, shall determine the number of members for such board, committee, forum, or work group and appoint the required number of members to it.

b. Removal of Members. Any board, committee, forum, board or work group member may be removed by the Foundation's President or by the Board of Trustees whenever, in the sole judgment of the Foundation President or the Board of Trustees, removal would serve the best interests of the Foundation.

c. Term of Member. Each committee, forum, board or work group member shall continue to serve until the next annual Board of Trustees' meeting and until a successor is appointed, unless such committee, forum, board or work group shall be sooner terminated or such member has been removed therefrom.

d. Chair. One member of each committee, forum, board or work group shall be appointed Chair by the President to serve for a term of one year and shall be eligible for reappointment for successive one year terms as determined by the President. The President may also appoint Co-Chair(s) for a committee, forum, board or work group.

e. Vacancies. Any vacancy in the membership of any committee, forum, board or work group may be filled by an appointment made in the same manner was the case for the original appointment.

f. Quorum. Unless otherwise provided in the Board of Trustees' resolution so establishing, a majority of the membership of the committee, forum, board or work group shall constitute a quorum and the act of a majority of the members present at a meeting thereof at which a quorum is present shall be the act of the committee, forum, board, or work group.

g. Actions/Procedures. The committee, forum, board or work group may take action at a meeting, by written consent, by conference telephone or by electronic means (including fax and e-mail). The committee's actions and minutes of any of its meetings shall be maintained in the Foundation's records. (10) days' notice of Committee meetings shall be given by mail or electronic means (including fax or e-mail).

ARTICLE IX

INDEMNIFICATION

Section 1. **The Foundation shall provide indemnification as described below.**

a. Third-Party Actions. The Foundation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Foundation) by reason of the fact that the person is or was an Officer, Trustee, or Committee member, a member of a board or forum, an employee or agent of the Foundation, of the Foundation or is or was serving at the request of the Foundation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid or owed in settlement actually and reasonably paid or incurred by the person or rendered or levied against the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person 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 the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith, and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Foundation or, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful. In its discretion, the Board of Trustees may grant indemnification to a Foundation employee or agent subject to the same standards.

b. Action by the Foundation. The Foundation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Foundation to procure a judgment in its favor by reason of the fact that such person is or was an Officer, Trustee, or Committee member, of the Foundation, or is or was serving at the request of the Foundation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorneys' fees, actually and reasonably paid or incurred by the person in connection with the defense or settlement of such action or suit 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; provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Foundation, unless and only to the extent that, the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses as the court shall deem proper.

c. To the extent that a present or former Trustee, Officer or Committee member, the Foundation has been successful on the merits or otherwise, in the defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, 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.

d. Any indemnification under subsections (a) and (b) (unless ordered by a court) shall be made by the Foundation only as authorized in the specific case, upon a determination that indemnification of the present or former Trustee, Officer, Committee member, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in subsections (a) or (b). Such determination shall be made with respect to such person: (1) by the majority vote of the Trustees who are not parties to such action, suit or proceeding, even though less than a quorum, (2) by a committee of the Trustees designated by a majority vote of the Trustees, even though less than a quorum, (3) if there are no such Trustees, or if the Trustees so direct, by independent legal counsel in a written opinion, or (4) by the Member.

e. In the discretion of the Board of Trustees, expenses (including attorneys' fees) incurred by an Officer, Trustee or Committee member in defending a civil or criminal action, suit or proceeding may be paid by the Foundation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Trustees in the specific case, upon receipt of an undertaking by or on behalf of the Trustee, Officer or Committee members to repay such amount, unless it shall ultimately be determined that such person is entitled to be indemnified by the Foundation as authorized in this Section. Such expenses (including attorneys' fees) incurred by former Trustees, Officers or Committee members or other employees and agents may be so paid on such terms and conditions, if any, as the Foundation deems appropriate.

f. The indemnification provided by this Section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw agreement, vote of members or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Trustee, Officer, Committee member, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

g. In its discretion, the Foundation may purchase and maintain insurance on behalf of any person who is or was a Trustee, Officer or Committee member of the Foundation, or who is or was serving at the request of the Foundation as a Trustee, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Foundation would have the power to indemnify such person against such liability under the provisions of this Section.

h. If the Foundation indemnifies or advances expenses under subsection (b) of this Section to a Trustee, Officer, Committee member, employee or agent the Foundation shall report the indemnification or advance in writing to the Foundation's Member with or before the notice of the next Member meeting.

i. For purposes of this Section, references to "the Foundation" shall include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger which if its separate existence had continued, would have had the power and authority to indemnify its Trustees, Officers, Committee members, employees or agents, so that any person who was any of such in the merging corporation, or was serving at the request of such merging corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section with respect to the surviving corporation as such person would have with respect to such merging corporation if its separate existence had continued.

j. For purposes of this Section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Foundation" shall include any service as a Trustee, Officer, Committee member, employee or agent of the Foundation which imposes duties on, or involves services of such with respect to an employee benefit plan, its participants, or beneficiaries. A person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of any employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Section.

ARTICLE X

WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the or under the provisions of the Foundation's Articles of Incorporation or these Bylaws, or by any Foundation committee, forum or work group, a 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 XI

MEANING OF CERTAIN TERMS

Section 1. **"Delivered" or "Given."** The words "Delivered" or "Given" for the purposes of determining if any notice required by the Act or the Bylaws or given by any Foundation member, committee, forum or work group is effective shall mean:

- (1) Transferred or presented to someone in person;

(2) Deposited in the United States mail addressed to that person at his, her or its address as it appears on the records of the corporation, with sufficient first-class postage prepaid thereon;

(3) Posted at such place and in such manner or otherwise transmitted to the person's premises as may be authorized and set forth in the articles of incorporation or the bylaws;

(4) Transmitted by electronic means (including but not limited to fax and e-mail) to the address that appears on the records of the Foundation.

Section 2. **Ex Officio.** When the term "ex officio" is used in these Bylaws, it means, in part, that the person who is "ex officio" shall not be entitled to vote.

ARTICLE XII

WRITTEN CONSENT BY ELECTRONIC MEANS

Actions required herein to be "written", to be "in writing", to have "written consent", to have "written approval" and the like by any Foundation member, board, committee, forum or work group shall include "any communication transmitted or received by electronic means" (including but not limited to fax and e-mail)."

ARTICLE XIII

ACTIONS BY CONFERENCE TELEPHONE CALL

Members of a Foundation board, committee, forum or work group may participate in and act at any meeting thereof through the use of a conference telephone call or other communications equipment by means of which all persons participating in the meeting can hear and communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

ARTICLE XIV

FISCAL YEAR

The fiscal year of the Foundation shall be fixed by resolution of the Board of Trustees.

ARTICLE XV

AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or repealed and new bylaws may be adopted by (1) a majority of the Board of Trustees present at any regular meeting or at any special meeting, provided that at least five days written notice is given of the intention to so alter, amend, repeal or adopt new Bylaws at such meeting and (2) with the approval by CHEST.

ARTICLE XVI

MISCELLANEOUS

Section 1. **Contracts.** The Board of Trustees may authorize any Foundation officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Foundation and such authority may be general or confined to specific instances. In the absence of such authorization, the Foundation's Executive Vice President or Vice President shall sign all such contracts.

Section 2. **Checks, Drafts, Etc.** All checks, drafts, or other orders for the payment of money, by the Foundation, shall be signed by such officer or officers, agent or agents of the Foundation and in such manner as shall, from time to time, be determined by resolution of the Board of Trustees. In the absence of such determination by the Board of Trustees, such instruments shall be signed by any two of the following: the Foundation's Executive Vice President, the Foundation's Vice President, and the Foundation's Assistant Treasurer, if in office. All promissory notes or other evidences of Foundation indebtedness shall be signed by such officer or officers, agent or agents of the Foundation and in such manner as shall, from time to time, be authorized by resolution of the Board of Trustees.

Section 3. **Deposits.** All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositories as the Board of Trustees may authorize.

Section 4. **Gifts.** The Board of Trustees shall adopt a policy regarding Foundation acceptance of any contribution, gift, bequest, or devise for the general purposes, or for any Foundation special purpose as the Board of Trustees deems proper.

Section 5. **Contract Services.** In addition to or in lieu of using its own employees, the Foundation shall reimburse CHEST for any direct services and consents and actions taken by or goods provided for Foundation use at mutually agreed rates.

Section 6. **Records.** The Foundation shall keep correct and complete books and records of account; minutes of the proceedings of, consents of and actions taken by its Member, Board of Trustees, and committees which have any of the authority of the Board of Trustees, and the names and addresses of all who are entitled to vote at meetings thereof. All Foundation books and records may be inspected by the Member or its agent or attorney for any proper purpose at any reasonable time.

Section 7. **Seal.** The corporate seal shall have inscribed thereon the name of the Foundation and the words "Corporate Seal, Illinois."

Section 8. **Robert's Rules Of Order.** The rules contained in the latest revised edition of Robert's Rules of Order in effect at the time the meeting is held shall govern the conduct of all Foundation meetings where they are applicable and are not inconsistent with the Bylaws or Illinois law.