

ACCREDITATION COMMISSION FOR EDUCATION IN NURSING, INC.

BYLAWS SEPTEMBER 2018

PREAMBLE

The bylaws of the Accreditation Commission for Education in Nursing (ACEN) are composed of two (2) parts. Part A deals with all bylaws matters, except the operational aspects of accreditation matters that have been included in Part B, and Part A remains under the sole authority of the National League for Nursing as the sole member. Part B of ACEN's bylaws is limited exclusively to the operational aspects of accreditation as required by 34 USC 602.14 (requirements for "separate and independent accreditation functions"), which the National League for Nursing has delegated authority to ACEN to autonomously revise and amend. Nothing in Part B of these bylaws can conflict with Part A of these bylaws or the Certificate of Incorporation.

PART A: CORPORATE BYLAWS

PART A- ARTICLE I

Name

The name of the corporation shall be the Accreditation Commission for Education in Nursing hereinafter referred to as the "Corporation" or "ACEN". ACEN is a not-for-profit subsidiary of the National League for Nursing ("NLN") governed by a Board of Directors which shall be known as the Board of Commissioners.

PART A-ARTICLE II

Mission and Purpose

Section 1. Mission and Purpose. The Corporation's sole mission and purpose is to provide accreditation of nursing education programs, and institutions for which the Corporation acts as the Title IV gatekeeper, by establishing and promulgating accreditation standards applicable to nursing education programs and institutions, conducting evaluations of such programs and institutions, and offering accreditation to programs and institutions meeting or exceeding such standards. The processes for establishing and promulgating accreditation standards and criteria shall be inclusive so as to reflect the values of the nursing profession and accountability to the public.

PART A-ARTICLE III

Members

Section 1. Principal Member. NLN shall be the Principal Member of the Corporation. The Principal Member shall have the sole right to vote or consent with respect to any corporate action not related to any authority delegated to the Corporation's Board of Commissioners within Part B of these bylaws.

The Principal Member shall be entitled to assign or transfer its membership to another person, provided further that the assignee or transferee shall also consent in writing to such assignment or the Corporation's Bylaws transfer, in the event of such an assignment or transfer the assignee or transferee (as the case may be) shall thereupon become the Principal Member.

Section 2. Actions Requiring Approval of Principal Member. Except as otherwise required by the New York Not-for-Profit Corporation law, the certificate of incorporation or these Part A bylaws, the following actions are subject to and require the approval and consent of the Principal Member:

- (a) creation of a new subsidiary corporation, partnership, limited liability company, joint venture or any other entity in which the Corporation will have a voting or ownership interest, and approval of the certificate of incorporation and bylaws of any such entity;
- (b) dissolution of the Corporation or the sale, lease, exchange, mortgage, pledge, or other disposition of all or substantially all of the property and assets of the Corporation; and
- (c) all restatements or amendments of the certificate of incorporation, and any Part A Corporate Bylaws changes.

Section 3. Actions by Principal Member. Any actions requiring the approval, consent, or action of the Principal Member under the New York Not-for-Profit Corporation Law, the certificate of incorporation or these bylaws shall be taken by the Board of Governors of the Principal Member, acting in accordance with its bylaws or acting by unanimous written consent, or by any person specifically designated by the Board of Governors to take such action on its behalf.

Section 4. Special Meetings.

- (a) Special meetings of the Corporation's Board of Commissioners related to matters concerning these Part A Corporate Bylaws only may be called by the President or Chief Executive Officer of the Principal Member.
- (b) **Notices.** Notices of special meetings shall be mailed and/or sent electronically to the Corporation's Board of Commissioners and the Corporation's Chief Executive Officer not less than thirty (30) nor more than fifty (50) days prior to the date of each special meeting. The purpose of each special meeting shall be set forth in the notice of such meeting.

PARTA-ARTICLE IV
Fiduciary Duties to Principal Member

Section 1. The Corporation shall provide the Principal Member with a copy of its annual audit by July 31st of every year.

PARTA-ARTICLE V
Books and Records

The Corporation shall keep at the office of the Corporation within the State of New York correct books and records of account and shall keep minutes of the proceedings of the Board of Commissioners, and/or any committee which the Commissioners may appoint; provided that duplicate copies of the books and records of account may be kept at an office outside the State of New York. Any of the foregoing books, minutes, lists, or records may be in written form or in any other form capable of being converted into written form within a reasonable time. Such books and records shall exclude all records dealing with individual program and institutional accreditation information and any other information specifically related to the "separate and independent" provisions of 34 CFR §602.14.

PARTA-ARTICLE VI
Corporate Seal

The Board of Commissioners may adopt a corporate seal.

PARTA-ARTICLE VII
Conflict of Interest

The Corporation shall adopt, implement, and administer a conflict of interest procedure consistent with best practices.

PARTA-ARTICLE VIII
Amendments to Part A Corporate Bylaws

The Principal Member's Board of Governors has the sole authority to alter, amend, repeal, or restate the Corporation's Part A Corporate Bylaws. The Corporation's Board of Commissioners does not have the authority to alter, amend, repeal, or restate the Corporation's Articles of Incorporation or the Corporation's Part A Corporate Bylaws. The Corporation's Board of Commissioners does not have the authority to create or amend any provision(s) of Part B Operational Bylaws which grants the Principal Member any rights without the approval of the Principal Member.

PART A – ARTICLE IX
Dissolution

In the event of dissolution, all expenses and liabilities of the Corporation will be paid and any residual assets of the Corporation will be distributed to the Principal Member, so long as it is exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future federal tax code, in accordance with the requirements of the Not-for-profit Corporation Law and the certificate of incorporation.

PART B: OPERATIONAL BYLAWS

PART B – ARTICLE I
Functions and Goals

Section 1. Function and Goals. The Corporation will:

- (a) maintain recognition by the U.S. Department of Education as a specialized, national accrediting agency and any appropriate external body that is now or may be established as a national accrediting body and, as such, a reliable authority on the quality of education offered by postsecondary and higher degree nursing education programs;
- (b) exercise authority and accountability as a specialized accrediting agency by carrying out the responsibilities inherent in the accreditation processes;
- (c) establish and promulgate a common core of accreditation standards and criteria for the accreditation of nursing education programs found to meet those standards and criteria;
- (d) advocate self-regulation in nursing education;
- (e) promote peer review; and
- (f) serve as gatekeeper to Title IV-HEA programs and institutions for which the Corporation is the accrediting agency. These include but are not limited to some hospital-based and non-hospital-based postsecondary, diploma, and higher degree nursing education programs eligible to participate in programs administered by the U.S. Department of Education or other federal agencies.

PART B – ARTICLE II
Governance

Section 1. Management. The business and affairs of the Corporation shall be directed, controlled, and managed by the Board of Commissioners, which shall be the governing body of this Corporation. Members of the Board of Commissioners shall be referred to as "Commissioners."

Section 2. Duties of the Board of Commissioners. The Board of Commissioners shall oversee and direct all of the affairs of the Corporation in

accordance with the Certificate of Incorporation, all bylaws, and the laws of the state of New York. It shall manage all of the business, property, and funds of the Corporation and shall have the duty and the authority to do and perform all acts consistent with all the Corporation's bylaws, the Certificate of Incorporation and any amendments thereto, and the laws of the State of New York. The Board of Commissioners shall have such other duties as may be prescribed by law and not inconsistent with the Certificate of Incorporation or all bylaws.

Section 3. Election. The Board of Commissioners shall consist of seventeen (17) Commissioners. Each year, the Nominating Committee of the Board of Commissioners shall promulgate a slate of candidates for vacancies on the Board of Commissioners, the composition of which shall conform to the requirements set forth in Section 5 of this ARTICLE. These candidates shall be presented to the Corporation's accredited nursing programs for election, with each accredited nursing program having one (1) vote per vacant Commission seat and with cumulative voting disallowed.

Section 4. Terms of Office. Commissioners shall serve for a term of three (3) years and until their successors are elected and qualified, or until their earlier resignation, removal, or death. Commissioners shall serve staggered terms so that, as nearly as possible, one-third of the Commissioners shall be elected each year. No individual may serve more than two (2) consecutive three-year terms, excluding any unexpired terms served as a result of a vacancy on the Board of Commissioners. Commissioners may serve an unlimited number of non-consecutive terms. To implement the expansion of the Board of Commissioners approved in July 2018 to eleven (11) nurse educators and continue as evenly as possible staggered terms, as a one-time exception to the term for new Commissioners, one newly approved nurse educator position shall serve one (1) two-year term. This Commissioner position shall be a three-year term thereafter.

Section 5. Composition of the Board of Commissioners. Eleven (11) Commissioners shall be nurse educators who broadly represent schools and programs that are accredited by the Corporation and bring differing experience, skills, and perspectives to the Board. Three (3) Commissioners shall represent the public, and three (3) Commissioners shall represent nursing service. Commissioners representing nursing service and the public shall ensure balanced representation from across identified constituencies and communities of interest. No Governor, Officer, or Employee of the Principal Member or its subsidiaries, or Employee of the Corporation shall be eligible to be a Commissioner.

Section 6. Removal of Commissioners. Any Commissioner of the Corporation may be removed for cause by the two-thirds vote of the Board of Commissioners of the Corporation at any annual, regular, or special meeting of the Board of Commissioners of the Corporation. For the purpose of this Section, "cause" shall mean (i) a breach of any fiduciary duty of a Commissioner pursuant to these Bylaws; (ii) commission of a felony or any act of embezzlement or

misappropriation of funds, (iii) fraud or negligence in the performance of any fiduciary duty of a Commissioner pursuant to these Bylaws; or (iv) engaging in activities or conduct injurious to the reputation of the Corporation. The Board of Commissioners shall notify any Commissioner accused of cause for removal at least ten (10) calendar days in advance of the meeting at which the matter will be voted on of the grounds for removal. The Commissioner accused of cause for removal shall have an opportunity to be heard by the Board of Commissioners before any vote for removal.

Section 7. Vacancies on the Board of Commissioners. Any vacancy or vacancies on the Board of Commissioners shall be filled for the remainder of the term by selecting the individual who received the next highest number of votes in the most recent election in the same category as his or her predecessor.

Section 8. Compensation. No Commissioner shall be entitled to any compensation for his or her services as such. The foregoing shall not prevent the Board of Commissioners from reimbursing any Commissioner for any expenses actually incurred in carrying out the duties of the Board of Commissioners.

Section 9. Officers of the Board. The Board of Commissioners shall elect from among its members the following officers:

- (a) **Chair.** The Chair shall preside at all meetings of the Board of Commissioners and the Executive Committee, and shall be an ex-officio member of all committees. He or she shall have and exercise all powers usually incident to the office of chair of a nonstock corporation and perform such other duties as may be delegated by the Board of Commissioners. Candidates for Chair shall come from the elected nurse educator members currently on the Commission. The Chair shall serve for a term of two (2) years.
- (b) **Vice-Chair.** The Vice-Chair of the Board of Commissioners shall conduct meetings of the Board of Commissioners and fulfill any other necessary legal duties in the absence of the Chair, and when so doing shall have all of the powers and authority of the Chair. The Vice-Chair shall also perform such duties and functions as may be delegated by the Board of Commissioners. The Vice-Chair shall serve for a term of two (2) years.
- (c) **Secretary.** The Secretary shall sign, with the Chair, such documents as are customarily attested to by the secretary of a corporation and shall keep or cause to be kept minutes, books, reports, statements, and such other documents related to or required or necessary for the conduct of the Corporation's business. The Secretary shall exhibit or cause to be exhibited at all reasonable times to any Commissioner the bylaws and the minutes of the proceedings of the Board of Commissioners and shall perform other duties incident to the office of Secretary and as may be assigned by the

Board of Commissioners from time to time. The Secretary shall serve for a term of two (2) years.

- (d) **Treasurer.** The treasurer shall supervise the financial records of the Corporation, be prepared to report their current status at each meeting of the Board of Commissioners and Finance Committee, and see that they are kept in permanent form in the corporate office. He or she may sign corporate documents and instruments as necessary. He or she shall also perform other duties and functions as delegated by the Board of Commissioners. The Treasurer shall be the Chair of the Corporation Finance Committee. The Treasurer shall serve for a term of two (2) years.

Section 10. Officers of the Corporation.

- (a) The Chief Executive Officer ("CEO") of the Corporation shall be appointed and terminated by the Board of Commissioners. Termination shall be in accordance with any provisions in an applicable contract of employment. The CEO shall serve as the chief staff officer of the Corporation and shall manage and be accountable for the daily operations and everyday affairs of the Corporation. The CEO shall be responsible solely to the Board of Commissioners on all matters relating to accreditation. The Corporation's Executive Committee is responsible for the performance evaluation, and the compensation of the CEO.
- (b) The Executive Committee shall appoint an interim senior staff executive to serve in the absence of, or in the event of a disability of the CEO, who shall perform all the duties of the CEO and when so acting shall have all the powers of the CEO.

Section 11. Meetings.

- (a) **Regular and Special Meetings.** Regular meetings of the Board of Commissioners shall be held at least two (2) times per year at a specified time and place designated by the Board of Commissioners for the purpose of governance and policy and as necessary to determine the accreditation status of programs. Special meetings of the Board of Commissioners related to matters concerning these Part B Operational Bylaws only may be called by the Chair or the CEO of the Corporation. Notice of such meetings shall state the purpose or purposes for the special meeting and at such meeting no other business than that stated in the notice shall be transacted as official business. Special meetings may be conducted by telephone conference call or other telecommunications method.
- (b) **Annual Meeting.** The annual meeting of the Board of Commissioners shall be held at such time and place as the Board of Commissioners shall

determine.

- (c) **Notice of Actual or Constructive Waiver.** No notice shall be required for regular or annual meetings for which the time and place have been fixed. Notice of meetings of any committee of the Board of Commissioners or of the Corporation shall be given in any manner deemed appropriate by the Chair of such committee.
- (d) **Quorum and Action.** Except as hereinafter provided, a majority of the entire Board of Commissioners shall constitute a quorum. A majority of the Commissioners present, whether or not a quorum is present, may adjourn a meeting to another time and place. Except as otherwise provided by the Not-for-profit Corporation Law or by these bylaws, the vote of a majority of the Commissioners present at the time of the vote, if a quorum is present, shall be the act of the Board of Commissioners.
- (e) **Actions without Meetings.** Any action required or permitted at any meeting of the Board of Commissioners may be taken without a meeting and without prior notice, if all of the Commissioners entitled to vote consent in writing to such action. Such written consent shall be filed with the minutes of the proceedings and shall have the same effect as a vote for all purposes.

PART B – ARTICLE III **Committees**

The Board of Commissioners shall designate an Executive Committee, a Finance Committee, an Audit and Compliance Committee, a Committee on Accreditation Standards and Criteria, a Substantive Change Committee, and such other committees as shall be designated from time to time by the Board of Commissioners. Members of each committee in this Article, Sections 2 through 7 shall be appointed annually by the Board Chair. The majority of a committee shall constitute a quorum at any meeting. The standing committees shall be constituted and empowered as follows:

Section 1. Executive Committee.

Composition. The Executive Committee shall be elected by the Board of Commissioners to serve a two-year term. The Executive Committee shall include at least the officers of the Board of Commissioners, at least one (1) public member, and the CEO of the Corporation, who shall serve ex-officio, without a vote.

Duties and Functions. The Executive Committee shall:

- (a) Conduct the evaluation of the CEO and report the outcome, in writing, to the Board of Commissioners;

- (b) Assume responsibility for Board development, orientation of new Commissioners, and Bylaws review;
- (c) Act for the Board of Commissioners in emergencies where there exists the inability to convene a quorum of the Board of Commissioners, or in special circumstances as directed by the Board;
- (d) Not exercise any of the accreditation functions of the Corporation on behalf of the Board of Commissioners.

Meetings. The Executive Committee shall meet at the call of the Chair or the CEO, or upon written request of three (3) members of the Committee. A majority of the committee shall constitute a quorum at any meeting of the Executive Committee.

Section 2. Finance Committee. The Finance Committee shall consist of at least three (3) members. The Chair shall be the Corporation Treasurer. This Committee shall recommend to the Board of Commissioners yearly budgets and long-term financial plans for the Corporation. The Committee shall provide financial oversight for the Corporation, including ensuring adequate financial resources, advice concerning short- and long-term investments consistent with best financial practices, and internal and external auditing, provided that the Finance Committee shall in no event have any authority not permitted by the Executive Committee.

Section 3. Audit and Compliance Committee. The Committee shall consist of at least three (3) Commissioners, none of whom shall be members of the Executive Committee or Finance Committee, except the Treasurer, who shall serve as an ex-officio member. The purposes of the Audit and Compliance Committee are to:

- Hire and supervise the activities of the external auditor
- Meet with the auditor before and after the annual audit
- Present the audit to the Commissioners
- Approve any non-audit services to be performed by the auditor (such as filing of tax and reporting forms to the New York State Attorney General)
- Review filings before they are submitted to the IRS and the New York State Attorney General
- Provide oversight of Corporation compliance with good business practices
- Set guidelines for complaints relating to infrastructure, accountability traits, and compliance with appropriate business behaviors.

Section 4. Nominating Committee. The Nominating Committee shall consist of three (3) members. The Nominating Committee shall:

- (a) solicit names of potential candidates for Commissioners from the Corporation-accredited programs and other communities of interest;

- (b) prepare a slate of candidates consisting of two (2) candidates for each vacancy by April 1st of each year;
- (c) ensure that the slate is diversified and has balanced representation from across identified constituencies and communities of interest; and
- (d) ensure that the slate provides for election of one-third, as nearly as possible, of the Commissioners each year.

Elected Commissioners shall take office October 1st of every year.

Section 5. Accreditation Standards and Criteria Committee. The Committee on Accreditation Standards and Criteria shall consist of at least four (4) nurse educator Commissioners representing different types of nursing education programs accredited by the Corporation and one (1) other non-nurse-educator Commissioner. This Committee shall have responsibility for ongoing monitoring of accreditation standards and criteria, assessing current trends and new developments in nursing education and practice, and periodic review and revision of accreditation standards and criteria that are inclusive and reflect the values of the nursing profession.

Section 6. Substantive Change Committee. The Substantive Change Committee shall consist of at least five (5) nurse educator Commissioners representing different types of nursing education programs accredited by the Corporation. This Committee shall have responsibility for reviewing and recommending substantive changes referred by the CEO to the entire ACEN Board of Commissioners in accordance with Corporation Policy.

Section 7. Ad Hoc Committees. The Board of Commissioners may from time to time constitute other committees as it shall deem appropriate and shall fix their respective purposes, powers, and means of acting.

PART B – ARTICLE IV

Fiscal Year

The fiscal year of the Corporation shall be the calendar year.

PART B – ARTICLE V

Bonding and Signatures

Section 1. Bonding. The Treasurer, the CEO, and all personnel and agents responsible for the receipt, custody, or disbursement of funds or securities may be required to give bond for the faithful discharge of their duties in such sums and with such sureties as the Board of Commissioners shall determine.

Section 2. Signatures. All checks, drafts, and other orders for the payment of money shall be signed by any one (1) of the following individuals: the Chair, the Treasurer, the CEO, or such agent or agents of the Corporation and in such manner as shall be determined by resolution of the Board of Commissioners.

PART B – ARTICLE VI
Parliamentary Authority

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the proceedings of the Corporation in all cases to which they are applicable and in which they are not inconsistent with these bylaws, any special rules of order that the Corporation may adopt, and any statutes applicable to this Corporation that do not authorize the provisions of these bylaws to take precedence.

PART B – ARTICLE VII
Amendments to Part B Operational Bylaws

The Board of Commissioners has the sole authority to alter, amend, repeal, or restate the Corporation's Part B Operational Bylaws. The Principal Member does not have the authority to alter, amend, repeal, or restate the Corporation's Part B Operational Bylaws. The Principal Member does not have the authority to create or amend any provision(s) of Part A Corporate Bylaws which grants the Corporation any rights without the approval of the Corporation's Board of Commissioners. The Principal Member does not have the authority to create or amend any provision(s) of Part A Corporate Bylaws which grants the Principal Member any operational rights.

PART B - ARTICLE VIII
Indemnification

Section 1. Authority to Indemnify.

- (a) Except as otherwise provided herein, the Corporation shall indemnify an individual made a party to a proceeding because he or she is or was a Commissioner or Officer against any liability incurred in the proceeding if he or she acted in a manner believed in good faith to be in or not opposed to the best interests of the Corporation and, in the case of any criminal proceeding, if he or she had no reasonable cause to believe that his or her conduct was unlawful.
- (b) A Commissioner's or Officer's conduct with respect to any employee benefit plan for a purpose that he or she believed in good faith to be in the interests of the participants and beneficiaries of the plan is conduct that satisfies the requirements of Section 1(a) above.

- (c) The termination of a proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that a Commissioner or Officer did not meet the standard of conduct set forth in Section 1(a) above.
- (d) Any indemnification permitted under this ARTICLE is limited to reasonable and necessary expenses, including reasonable attorneys' fees, incurred in connection with the indemnified proceeding.

Section 2. Mandatory Indemnification. To the extent that a Commissioner or Officer is successful, on the merits or otherwise, in the defense of any proceeding to which he or she is a party, or in defense of any claim, issue or matter therein, because he or she was a Commissioner or Officer of the Corporation, the Corporation shall indemnify the Commissioner or Officer against reasonable and necessary expenses directly incurred by him or her in connection therewith, including reasonable attorneys' fees.

Section 3. When a Commissioner or Officer will not be Indemnified. The Corporation shall indemnify a Commissioner or Officer to the fullest extent permitted by the New York Not-for-profit Corporation Law. The Corporation shall not indemnify a Commissioner or Officer under Section 1 only if such Commissioner's or Officer's conduct is such that indemnity is prohibited by the New York Not-for-profit Corporation Law.

Section 4. Determination and Authorization of Indemnification. The Corporation may not indemnify a Commissioner or Officer under this ARTICLE unless authorized hereunder and unless a determination has been made in the specific case that indemnification of the Commissioner or Officer is permissible in the circumstances because the Commissioner or Officer has met the standard of conduct set forth in subsection (a) of Section 1 of this ARTICLE and has not violated any standard described in these Bylaws. The determination shall be made: (i) by the Board of Commissioners by majority vote of a quorum consisting of Commissioners not at the time parties to the proceeding, or (ii) if a quorum cannot be obtained under this subsection, by a majority vote of a committee duly designated by the Board consisting of two (2) or more Commissioners not at the time parties to the proceeding; or (iii) by special independent legal counsel selected by a majority vote of the full Board of Commissioners, including Commissioners who may be a party to the proceeding if a quorum of the Board cannot be obtained and a committee cannot be designated.

Section 5. Advancement of Fees and Expenses. Expenses incurred in defending a civil or criminal action or proceeding shall be paid by the Corporation in advance of the final disposition of such action or proceeding. Any expenses incurred in defending a civil or criminal action or proceeding that are advanced by the Corporation shall be repaid in the event that the person receiving such advancement or allowance is ultimately found not to be entitled to indemnification.

Section 6. Indemnification of Employees. An employee of the Corporation who is not a Commissioner or Officer may be entitled to indemnification to the same extent and subject to the same conditions as a Commissioner or Officer pursuant to this ARTICLE.

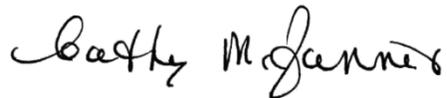
Section 7. Insurance. The Corporation shall purchase and maintain Directors and Officers ("D&O") liability insurance on Commissioners or Officers of the Corporation and may purchase and maintain insurance on behalf of employees of the Corporation. In addition, the Corporation shall purchase and maintain general liability insurance and proper fire and casualty insurance on the property of the Corporation.

Section 8. Limitations. The provisions for indemnification of Commissioners contained in this ARTICLE is valid only if and to the extent that the provisions are consistent with the New York Not-for-profit Law Code. This ARTICLE does not limit the Corporation's power to pay or reimburse expenses incurred by a Commissioner or Officer in connection with her or his appearance as a witness in a proceeding at a time when he or she has not been made a named defendant or respondent to the proceeding.

CERTIFICATION

I, Catherine McJannet, Chair of the Accreditation Commission for Education in Nursing, Inc., a New York not-for-profit corporation, do hereby certify that the foregoing is a true and complete copy of the bylaws of the Corporation effective on September 12, 2018.

IN WITNESS WHEREOF, I have hereunder subscribed my name on this 12th day of September 2018.

A handwritten signature in black ink that reads "Catherine McJannet". The signature is written in a cursive style with a large initial 'C' and 'M'.

Ms. Catherine McJannet
Chair of the Board of Commissioners