

 <p>FOUNDATION FOR THE ACCREDITATION OF CELLULAR THERAPY AT THE UNIVERSITY OF NEBRASKA MEDICAL CENTER Policies and Procedures</p>	<p>Policy</p>	<p>Document #: GOV.3.1.001 Revision: 5 Approval Date: 02/20/2012 Page 1 of 13 Effective Date: 02/20/2012</p>
<p>FACT Bylaws</p>		

1.0 Purpose

The purpose of this document is to describe the Bylaws that govern FACT. The Bylaws include FACT officers, members, committees, and Board of Directors.

2.0 Scope

FACT Bylaws are to describe the operation of the charitable, scientific, and educational purposes of the organization as well as to execute the purposes of the parent organizations, ISCT and ASTCT. The FACT Bylaws are applicable to all aspects of the organization and its personnel.

3.0 Responsibility

- 3.1 It will be the responsibility of FACT to ensure that:
 - 3.1.1 All personnel, support staff, volunteers, and committee members have access to these Bylaws.
 - 3.1.2 The Bylaws described herein are followed
 - 3.1.3 The Bylaws are available to all persons associated with FACT.

4.0 References

- 4.1 ISCT: International Society for Cell & Gene Therapy
- 4.2 ASTCT: American Society for Transplantation and Cellular Therapy
- 4.3 Robert's Rules of Parliamentary Procedure, <http://www.robertsrules.com/>
- 4.4 Policy on Reserve Funds and Investments, 1.4.001

5.0 Definitions and Abbreviations - NA

6.0 Bylaws

I.0 ARTICLE I: NAME

- I.1 The name of the corporation shall be the Foundation for the Accreditation of Cellular Therapy (“FACT”). The registered office shall be located at Denver, Colorado. FACT may also have offices at such other places as the Board of Directors of FACT (the “Board of Directors”) may from time to time determine.

II.0 ARTICLE II: PURPOSES

- II.1 FACT is organized and shall be operated exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). Within these broad general purposes, the specific goals and objectives of FACT shall be the voluntary inspection and accreditation of cellular therapy programs and establishment of standards for medical and laboratory practices in the field of cellular therapy. In accomplishment of such purposes, FACT is exempt from private foundation status under Section 509(a)(2) of the Code as a public charity that normally receives (1) more than 33-1/3 percent of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions) and (2) no more than 33-1/3 percent of its support from gross investment income and unrelated business (less section 511 tax) from businesses acquired by FACT after June 30, 1975. In this regard, FACT will:
- II.1.1 Establish standards for the provision of quality medical and laboratory practice in the field of hematopoietic cell transplantation and other cellular therapies
 - II.1.2 Conduct inspection and accreditation programs that will encourage health institutions and facilities engaged in the medical and/or laboratory aspects of hematopoietic cell transplantation and other cellular therapies voluntarily to meet certain criteria for centers performing such procedures and therapies in the treatment of human diseases
 - II.1.3 Recognize compliance with standards by issuance of certificates of accreditation
 - II.1.4 Conduct programs of education and research resulting from the accreditation process and publish the results thereof in furtherance of the public interests of FACT
 - II.1.5 Accept grants, gifts, bequests, and devises in support of the purposes of FACT
 - II.1.6 Perform such other functions as may be necessary or appropriate to fulfill the purposes of FACT
- II.2 In furtherance of such purposes, FACT is authorized to:
- II.2.1 Receive, own, invest, use and hold cash and other property of every kind and character, and to use, apply, and expend the same, including the income or proceeds therefrom.
 - II.2.2 Undertake any other act or action permitted by the Colorado Nonprofit Corporation Act, Colo. Rev. Stat. §§7-20-101 to 7-29-106 (the “Act”)
- II.3 *Standards.* FACT shall establish standards of performance for health care facilities and services, which standards shall apply to all phases of collection, processing, and administration of hematopoietic cells, and also may apply to other cellular therapies. These standards shall be made available to health institutions, health professionals, clinical laboratories, health facilities, and other interested members of the scientific and medical community and public, in publications of FACT. These standards are designed to provide minimum guidelines for facilities and individuals performing hematopoietic cell transplantation and other cellular therapies or providing support services for such procedures. These standards are not intended to include all of the procedures and practices that a facility or individual should implement if the standard of practice in the community or federal or state laws or regulations establish additional requirements.
- II.4 *Accreditation.* FACT shall adopt surveys and report forms and procedures, conduct inspections, make accreditation decisions, and issue certificates of accreditation, in accordance with administrative policies from time to time adopted by the Board of Directors.

III.0 ARTICLE III: MEMBERS

- III.1 The Principal Members of FACT shall be the International Society for Cell & Gene Therapy (“ISCT”) and the American Society for Transplantation and Cellular Therapy (“ASTCT”) represented by their respective boards of directors. The Principal Members of FACT shall have all of the rights, powers, and privileges granted to members under the Act and these Bylaws. FACT shall have no capital stock, nor shall any of its Principal Members nor any member of its Board of Directors, or any other individual at any time, either upon a dissolution of FACT (except as hereinafter provided in these Bylaws) or in any other event, (i) be considered to be the owner of or entitled to, to any extent, any of the assets, funds, or properties of FACT or (ii) derive any profit from its operation, all of which shall be used exclusively for and in furtherance of the public charitable, scientific, and educational purposes for which FACT is formed.
- III.2 *Additional Members.* Additional organizations may be admitted to membership in FACT upon the unanimous written consent of the Principal Members.
- III.3 *Appointments.* The Principal Members, or certain of the additional Principal Members, if any, shall appoint members of the Board of Directors as provided in these Bylaws.
- III.4 *Interest of Members.* No Principal Member of FACT shall have any right, title or interest in or to the whole or any part of the assets of FACT, and no Principal Member shall be entitled to either the whole or any part of such assets in the event of termination of the Principal Member’s membership in FACT except upon dissolution of FACT as provided in its Articles of Incorporation and in Article XI of these Bylaws.
- III.5 *Dissolution.* FACT shall not be dissolved except as provided in Article XI. Upon the dissolution of FACT, after FACT’s liabilities and obligations have been paid and discharged (or adequate provisions have been made therefore) and any other transfers or conveyances required by law have been made, FACT’s remaining assets shall be distributed, in equal part, to such of FACT’s Principal Members as qualify at the time of such distribution as organizations described in Section 501(c)(3) of the Code (and exempt from federal income tax under Section 501(a) of the Code) and Sections 509(a)(1) or 509(a)(2) of the Code, or if none of the members so qualify, then to an organization that does qualify as such, to be selected by majority vote of the Board of Directors. The amount of the distribution under this article shall be determined by majority vote of the Board of Directors.
- III.6 *Reserve Fund.* A reserve fund shall be established and maintained in an amount deemed sufficient by the Board of Directors to assure the continuity of operations of FACT. The size and source of support to this reserve fund shall be set out in the annual budget as approved by the Board of Directors.
- III.7 *Resignation.* Any Principal Member that is not delinquent in the payment of any amount owing to FACT may resign, effective December 31 of any year, upon giving to FACT at least sixty (60) days’ prior notice in writing. In the event of any such resignation, the resigned Principal Member shall have no claim upon any assets of FACT.
- III.8 *Termination of Membership.* If any Principal Member shall fail to make any payment owing to FACT pursuant to Section V.18, within thirty (30) days after the same becomes due, its membership shall forthwith terminate and it shall have no claim on any assets of FACT. Neither ISCT’s nor ASTCT’s membership may be terminated for any reason other than failure to pay required payments.
- III.9 *Reinstatement.* If any Principal Member resigns or if its membership is terminated pursuant to Section III.8, it shall be eligible for reinstatement only if one full year has expired from the date of resignation or termination of membership; it pays to FACT an amount equal to the total amounts that it would have been required to pay pursuant to Section V.18 if it had continued its membership; and reinstatement is approved in the same manner as though the organization seeking reinstatement was being considered for admission to membership pursuant to Section III.2.
- III.10 *Transfer.* Membership in FACT is not transferable or assignable.

IV.0 ARTICLE IV: MEETINGS OF PRINCIPAL MEMBERS

- IV.1 *Annual Meeting.* An annual meeting of Principal Members shall be held on a date, and at a time and place to be fixed by the FACT Board of Directors, for the transaction of such business of FACT as may come before the meeting. The board of directors of each Principal Member shall designate the person or persons who will represent that Principal Member at any meeting of Principal Members.
- IV.2 *Special Meetings.* Special meetings of the Principal Members may be called either by the chair of the Board of Directors (the “Chair”), the Board of Directors, or any Principal Member.
- IV.3 *Voting.* At all meetings of Principal Members, each Principal Member is entitled to one vote, except to the extent otherwise provided by or inconsistent with these Bylaws.
- IV.4 *Place.* The Board of Directors shall designate the place for annual meetings and for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of FACT in the State of Colorado; provided, however, that if all of the Principal Members shall meet at any time and place and consent in writing to holding of the meeting, such meeting shall be valid without call or notice and at such meeting corporate action may be taken.
- IV.5 *Notice.* Written notice stating the place, day, and hour, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered, either personally, by mail, by facsimile transmission, or by electronic mail, to each Principal Member not less than ten nor more than forty days before the date of each meeting of Principal Members. If mailed, the notice shall be deemed delivered when deposited in the United States mail addressed to the Principal Member at its address as it appears on the records of FACT, with postage thereon prepaid.
- IV.6 *Action by Written Consent.* Any action required or permitted by law to be taken at a meeting of Principal Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Principal Members entitled to vote with respect to the subject matter thereof.
- IV.7 *Quorum.* Principal Members present in person or by proxy holding a majority of the votes pursuant to this article shall constitute a quorum. If a quorum is not present at any meeting, the Principal Members present may adjourn the meeting from time to time without further notice.
- IV.8 *Proxies.* Any Principal Member may vote by proxy executed in writing.

V.0 ARTICLE V: BOARD OF DIRECTORS

- V.I. *Authority and Responsibility.* The governing body of FACT shall be its Board of Directors. The Board of Directors shall actively promote the purpose and mission of FACT and supervise, direct and control its policies, business affairs and financial affairs; provided however, the Board of Directors may not exercise any power or discretion under these Bylaws if such exercise would jeopardize the Corporation's qualification for (1) exemption from federal income taxation under Code Sections 501(a) and 501(c)(3), (2) exclusion from private foundation status under Code Section 509(a)(2), and/or (3) status as a charitable organization under Code Section 170(b)(1)(A)(vi) or Code Section 170(b)(1)(A)(viii), as the case may be.
- V.2 *Composition.* The Board of Directors shall consist of up to eighteen (18) voting members. The voting members shall be the President, the President-Elect, the Immediate-Past President, Chief Medical Officer, the Public Director, the Standards Chair and the designated representatives of the Principal Members (which include the Vice President, the Secretary and the Treasurer).

V.3 *Chair.* The President shall serve as chair of the Board of Directors. If the President is unavailable, unable or unwilling to serve, the responsibility for chairing meetings of the Board of Directors shall pass to the Vice President, the Secretary and the Treasurer, respectively.

V.4 *Manner of Selection and Terms.* The terms of the voting members of the Board of Directors shall be based on calendar years.

V.4.1 *Presidential Officers.* The President, President-Elect and Immediate-Past President shall be members of the Board of Directors while serving their terms of office.

V.4.2 *Representatives of Principal Members.* Each Principal Member is entitled to appoint six (6) representatives for seats on the Board of Directors, provided that each appointment is affirmed by vote of the FACT Board of Directors. The term of each appointed Director shall be three (3) years, with a maximum of three consecutive full terms. The appointments shall be in annual classes so that each Principal Member appoints two representatives each year. Each appointment shall be in writing, executed by an official representative of the Board of Directors of the Principal Member. Each appointed Director shall serve for the term to which appointed, or until his or her death, resignation or removal.

V.4.2.1 *Partial Terms.* An individual appointed to fill a vacancy may serve an additional three full consecutive terms.

V.4.3 *Public Director.* The Public Director shall be a person whose knowledge and experience will assist the Board of Directors in furthering the purpose and mission of FACT and shall be considered an advocate for cellular therapy patients. The Public Director shall be elected by the members of the Board of Directors for a term of three years and may serve a maximum of three consecutive terms.

V.4.4 *Chief Medical Officer.* The Chief Medical Officer shall be a physician with administrative responsibility across all aspects of FACT. The Chief Medical Officer shall serve as Chair of the Cell Therapy Accreditation Committee and as Chair of the Cord Blood Accreditation Committee. The Chief Medical Officer shall be appointed by and serve at the pleasure of the Board of Directors.

V.4.5 *Chair of Standards Committee Chair.* The term of service on the Board of Directors for the Chair of the Standards Committee shall be the duration of one edition of the FACT Cellular Therapy Standards and one edition of the International Standards for Cord Blood Banking. The Chair of the Standards Committee shall be appointed by the Board of Directors.

V.4.5.1 The Chair of the Standards Committee will continue as a member of the Board of Directors if currently serving as a Director at the time of appointment as chair of the Standards Committee.

V.4.5.2. The Chair of the Standards Committee will occupy an independent seat on the Board if not currently serving as a Director.

V.5 *Other Participants.* At the discretion of the Board of Directors, members of the FACT staff, consultants and guests may attend and participate in the meetings of the Board of Directors, but they shall not be entitled to vote.

V.6 *Vacancies.* In the event of a Director's death, resignation, removal or inability to act, the Principal Member that appointed that Director (or the Board of Directors in the case of a Public Director, Chief Medical Officer, or Chair of the Standards Committee) shall appoint a successor in the manner provided in Section V.4. The successor shall complete the term that has been vacated. If the vacancy is a representative of a Principal Member and the Principal Member fails to appoint a successor with ninety (90) days, the Board of Directors at its sole discretion may make an appointment to fill the vacancy and complete the term. A vacancy in the office of Immediate-Past President shall not be filled.

V.7 *Resignation.* Any Director may resign from the Board of Directors at any time by giving written notice to the President or Secretary. Such resignation shall take effect on the date of receipt or at the time specified in the written notice.

V.8 *Removal.* Any Director may be removed from office, with or without cause, by a two-thirds vote of the Directors attending any regular or special meeting of the Board of Directors at which a quorum is present.

V.9 *Means of Acting.* An act of a majority of the Directors present at a duly called meeting at which there is a quorum shall be an act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation or these Bylaws.

V.10 *Annual and Regular Meetings.* An annual meeting of the Board of Directors shall be held, without notice other than this provision, on the same day and at the same place as the annual meeting of the Principal Members. The Board of Directors may designate by resolution the time and venue for the annual meeting. Additional meetings or telephone conference calls may be called by the Chair or at the written request submitted to the Chair by no fewer than twenty percent (20%) of the voting Directors.

V.11 *Meetings by Conference Call.* Any meeting of the Board of Directors, or a committee thereof, may be held by telephone conference or by other means in which all persons participating in the meeting can hear and speak to all other participants.

V.12 *Notice.* Notice of regular meetings and conference call meetings of the Board of Directors shall be given at least ten (10) days prior to the meeting. The notice shall be delivered personally or by mail or electronic mail to each Director's address as it appears in the records of FACT. If the notice is mailed, it shall be deemed delivered when correctly addressed with postage pre-paid and deposited with the United States Postal Service. If notice is sent by electronic mail, it shall be deemed delivered when the correctly addressed message reaches the recipient's e-mail server.

V.13 *Emergency Meetings.* Emergency meetings of the Board of Directors may be called at the request of the President or at the written request submitted to the President by no fewer than 20 percent (20%) of the voting Directors. Notice of the emergency meeting must be communicated expeditiously to all Directors, although any Director may waive notice of an emergency meeting. Neither the business to be transacted at, nor the purposes of, an emergency meeting of the Board of Directors needs to be specified in the notice of the meeting. For the transaction of business in an emergency meeting, there must be a quorum, as defined in Section V.14.

V.14 *Quorum.* A majority of the Directors shall constitute a quorum for the transaction of business at any duly called meeting of the Board of Directors. If less than a majority of all Directors is present, a majority of the voting members present may adjourn the meeting to another time without further notice. If a quorum is present when a duly called or held meeting is convened, the Directors present may continue to transact business until adjournment, even though the withdrawal of Directors originally present leaves fewer than the number Directors otherwise required for a quorum.

V.15 *Proxies.* Any Director may vote by proxy executed in writing and delivered to the President or Secretary.

V.16 *Action by Written Consent.* Any action required or permitted by law to be taken at a meeting of the Board of Directors, or a committee thereof, may be taken without a meeting if a consent in writing, setting forth the proposed action, is signed by at least two-thirds of the members of the Board of Directors.

V.17 *Mail or Facsimile Ballot.* The Board of Directors, as well as committees thereof, may act without a meeting if written consent is obtained by mail or facsimile ballot, signed by two-thirds of the voting Directors or two-thirds of the members of the committee.

V.18 *Budget*. At its annual meeting or last regular meeting of each calendar year, the Board of Directors shall adopt the FACT operating budget and reserve fund budget for the next calendar year. These budgets may be revised at any regular or special meeting of the Board of Directors. If a budget requires a special assessment for Principal Members, the proportions assigned to the Principal Members must be equal. A payment schedule may be negotiated individually with each Principal Member.

V.19 *Executive Committee*. The Executive Committee of the Board of Directors shall consist of the President, President-Elect, Vice President, Immediate-Past President, Secretary, Treasurer, Chief Medical Officer, and the Chair of the Standards Committee. Between meetings of the Board of Directors, the Executive Committee may exercise the powers of the Board of Directors for management of the policies and business of FACT, except that the Executive Committee may not (1) adopt or amend the annual budget, (2) elect officers, (3) amend the Bylaws, or (4) act in any way that is prohibited by law, the FACT Articles of Incorporation or the FACT Bylaws. At any later time, the Board of Directors may modify or rescind any action of the Executive Committee. The President shall act as chair of the Executive Committee. In the absence of the President, the order of succession for chairing the Executive Committee shall be the Vice President, the Secretary and the Treasurer.

V.20 *Parliamentary Procedure*. The conduct of all meetings of the Board of Directors, and committees thereof including the Executive Committee, shall be governed by the most current edition of Robert's Rules of Order.

V.21 *Attendance*. Principal Members of the Board of Directors shall maintain a minimum fifty percent (50%) rate of attendance at regular and special meetings of the Board of Directors and meetings of committees on which they serve. When a Director fails to meet this requirement for a calendar year, the Board of Directors shall review the Director's attendance record and may remove the Director in the manner provided in Section V.8.

V.22 *Compensation and Reimbursement of Expenses*. Persons serving as Directors shall not receive any salary or compensation for their services as a Director. A Director may be reimbursed for reasonable expenses, including travel and lodging, incurred on behalf of FACT or while performing duties as a Director of FACT. A Director may be reasonably compensated for other services provided to FACT if the compensation is fully disclosed to and approved by the Board of Directors in advance of the performance or delivery of those services.

VI.0 ARTICLE VI: OFFICERS

V1.1 *Elected Officers*. The elected officers of FACT shall be President, President-Elect, Vice President, Immediate-Past President, Secretary and Treasurer. While serving as an officer, the Vice President, the Secretary and the Treasurer must be current members of the Board representing a Principal Member.

VI.2 *Appointed Officers*. The appointed officers of FACT shall be the Chief Executive Officer and the Chief Medical Officer.

VI.3 *Manner of Selection and Terms*. The election of officers will be held at the annual meeting of the Board of Directors, and terms will begin on January 1 of the next calendar year. No two offices may be held by the same person.

VI.3.1 *President*. The term of the President is two years, with a maximum of two consecutive terms that shall begin in even-numbered years. If, upon taking office, the President is a Director representing a Principal Member, then that Director's seat becomes vacant and may be filled in accordance with Section V6. The President continues to serve as a voting member of the Board of Directors until the conclusion of his or her term as President and Immediate-Past President.

VI.3.2 *Vice President*. The term of the Vice President is two years or until the conclusion of his or her term as a member of the Board of Directors. The Vice President is elected for terms that begin in even-numbered years.

VI.3.3 *President-Elect*. The term of the President-Elect is one year. A President-Elect shall be chosen for years in which the incumbent President is expected to be in the final year of office, either because the

President is reaching a term limit or has announced his or her intention to not seek re-election. In other years, the office of President-Elect will be vacant.

VI.3.4 *Immediate-Past President.* The term of the Immediate-Past President shall coincide with the term of the current President.

VI.3.5 *Secretary.* The term of the Secretary is two years or until the conclusion of his or her term as a member of the Board of Directors. The Secretary term begins in odd-numbered years.

VI.3.6 *Treasurer.* The term of the Treasurer Secretary is two years or until the conclusion of his or her term as a member of the Board of Directors. The Treasurer term begins in odd-numbered years.

VI.3.7 *Chief Medical Officer.* The Chief Medical Officer is a staff officer whose manner of selection and tenure are described in Article VIII of these Bylaws.

VI.3.8 *Chief Executive Officer.* The Chief Executive Officer is a staff officer whose selection and tenure are described in Article IX of these Bylaws.

VI.4 *Duties and Responsibilities.* The officers are responsible for implementation of the policies and actions of the Board of Directors.

VI.4.1 *President.* The President is the principal officer of FACT. The President shall serve as chair at all meetings of the Board of Directors and its Executive Committee, having primary responsibility for the agenda of each meeting. The President shall also preside at the annual meeting of the Principal Members of FACT. The President shall have oversight for the implementation of all orders and resolutions of the Board of Directors. The President may sign on behalf of FACT any contracts, documents, deeds, mortgages, bonds or other instruments authorized by the Board of Directors, and shall have such other powers and duties as may be assigned by the Board of Directors. The President shall appoint the members of all committees, subject to approval by the Board of Directors, except as otherwise provided by these Bylaws or by resolution of the Board of Directors and shall be a non-voting, ex-officio member of all committees.

VI.4.2 *President-Elect.* The President-Elect shall assist the President in the discharge of the duties of President, as the President may direct, and shall perform other duties as may be assigned from time to time by the Board of Directors. The President-Elect shall succeed to the office of President if a vacancy occurs in the office of President.

VI.4.3 *Vice President.* The Vice President shall act as President when the President is absent, other than when a vacancy occurs in the office of President. When so acting, the Vice President shall have all responsibility, power, and authority of the President, and shall have such other powers and duties as may be assigned by the Board of Directors.

VI.4.3.1 If the office of President is vacant, the Vice President shall act as President until such time as a replacement has been appointed. The Vice President acting as President does not create a vacancy in the office of Vice President.

VI.4.4 *Immediate-Past President.* The Immediate-Past President shall provide an orderly transfer of duties and responsibilities to his or her successor, and provide advice and counsel as requested by the Officers, the Executive Committee and the Board of Directors.

VI.4.5 *Secretary.* The Secretary shall have primary responsibility for the minutes of the Board of Directors, the Executive Committee, and the annual meeting of the Principal Members; assure that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be the

custodian of the corporate records and of the seal of FACT and assure that the seal is properly affixed to all documents requiring the same; keep a register of the name and address of each Principal Member and each Director; and perform other duties customarily incident to the office of Secretary or that may be assigned by the Board of Directors.

VI.4.6 *Treasurer*. The Treasurer shall have charge of and be responsible for all funds and securities of FACT, receipt and payment for monies due to and payable by FACT, and deposit of all such monies in the name of FACT in such banks, trust companies, or other depositories as may be designated by the Board of Directors; assure that all authorized accounts payable are paid promptly; assure that an adequate accounting system is maintained to give a true and accurate record of the financial transactions and position of FACT; present accurate and clear reports of such transactions and reserve funds to the Board of Directors; and perform other duties customarily incident to the office of Treasurer or that may be assigned by the Board of Directors.

VI.4.7 *Chief Medical Officer*. The Chief Medical Officer is a staff officer whose duties and responsibilities are described in Article VIII of these Bylaws.

VI.4.8 *Chief Executive Officer*. The Chief Executive Office is a staff officer whose duties are responsibilities are described in Article IX of these Bylaws.

VI.5 *Vacancies*. A vacancy in any elected office shall be filled as soon as practical after the vacancy occurs, at a regular or specially called meeting of the Board of Directors in the manner prescribed for annual elections in Section VI.3. Each filled vacancy will be for the remainder of the vacated term. Except, however, if the office of President becomes vacant and the office of President-Elect is occupied, then the President-Elect will automatically fill the vacancy in the office of President, and continue serving as President in the next term. A person elected to fill a vacancy will not be barred as a candidate for that same office in the next term. A vacancy in the office of Immediate-Past President shall not be filled.

VI.6 *Removal*. Any officer may be removed from office by a two-thirds vote of the Directors attending any regular or specially called meeting of the Board of Directors at which a quorum is present.

VI.7 *Compensation and Expense Reimbursement*. An officer may be reimbursed for reasonable expenses, including travel and lodging, incurred on behalf of FACT or while performing duties as an officer of FACT. An officer also may receive a salary or compensation in a reasonable amount for services to FACT that are necessary in carrying out FACT's purposes. The salary or compensation, if any, shall be determined at the sole discretion of the Board of Directors, and in no event will be excessive.

VII.0 ARTICLE VII: COMMITTEES

VII.1 *Standing Committees*. The Board of Directors shall have three (3) standing committees composed entirely of board members. They shall be:

VII.1.1 *Executive Committee*. The Executive Committee shall consist of the President, the Vice President, the Immediate-Past President, the Secretary, the Treasurer, the chair of the Standards Committee, and the chair of the Accreditation Committee. The President shall act as chair of the Executive Committee. In the absence of the President, the order of succession for chairing the Executive Committee shall be the Vice President, the Secretary and the Treasurer. It shall be the duty of the Executive Committee to:

VII.1.1.1 Take such actions for the Board as may be required between meetings of the Board, and otherwise exercise the authority of the Board, subject only to the superior authority of the Board of Directors.

VII.1.1.2 Confer with the Chief Executive Officer regarding all matters relating to Section IX.4 through IX.4.10 and such other matters as may arise in the exercise of the Chief Executive Officer's responsibilities

VII.1.2 *Finance Committee.* The Finance Committee shall consist of the Treasurer, the President and the Vice President. The Treasurer shall serve as chair of the Finance Committee. It shall be the duty of the Finance Committee to oversee the fiscal needs of FACT, both as to capital and operating needs, develop and implement the investment policies of FACT, review the internal and external audits, and report and make recommendations to the Board thereon. All actions of the Finance Committee are subject to final approval by the Board of Directors.

VII.1.3 *Leadership and Nominations Committee.* The Leadership and Nominations Committee shall consist of the Immediate-Past President, the President and the Vice President, and two additional members appointed by the Board. The term of appointment for non-officers shall be two years, with a maximum of two terms. The Immediate-Past President shall serve as chair of the Leadership and Nominations Committee. It shall be the duty of the Leadership and Nominations Committee to recommend candidates that the Board may nominate to the Principal Members for appointment to the FACT Board of Directors.

VII.2 *Other Standing Committees.* FACT shall have six (6) additional standing committees whose members and chairs are appointed by the Board of Directors. Each of these standing committees must include in its membership at least two members of the Board of Directors. The chair, appointed by the Board of Directors, may or may not be a member of the Board of Directors.

VII.2.1 *Standards Committee.* The Standards Committee shall be responsible for developing, interpreting, and revising the Standards to be used to determine the qualifications necessary to receive accreditation by FACT. The Standards Committee shall monitor scientific developments, educational requirements, and standards of practice to determine whether additional or different standards should be recommended to enhance the integrity and quality of the programs and the safety of patients. These standards are not intended to include all of the procedures and practices that a facility or individual should implement if the standard of practice in the community or federal or state laws or regulations establish additional requirements. The Standards Committee shall meet at least annually and at the call of its chair. The Board shall appoint at least two members of the Board to serve on the Committee and shall appoint such other members of the Committee, whether members of the Board or otherwise, as it deems necessary. The Board shall appoint the Chair. All actions of the Standards Committee are subject to final approval by the Board of Directors.

VII.2.1.1 The Standards Committee shall be comprised of subcommittees for Cellular Therapy Standards and Cord Blood Standards.

VII.2.1.2 Each member of the Cellular Therapy Standards subcommittee shall serve a three-year term coincident with a single edition of the FACT-JACIE Cellular Therapy Standards, and may serve additional terms.

VII.2.1.3 Each member of the Cord Blood Standards subcommittee shall serve a three-year term coincident with a single edition of the NetCord-FACT Cord Blood Standards, and may serve additional terms.

VII.2.2 *Cellular Therapy Accreditation Committee.* The Accreditation Committee shall be responsible for developing, interpreting, and revising the procedures for evaluating applicants for accreditation, determining whether applicants comply with the standards, developing an appeals process, reviewing appeals, and developing such other procedures as are necessary to ensure a fair and objective process for assessing applicants for accreditation. The Board shall appoint at least two members of the Board to serve on the Committee and shall appoint such other members, whether members of the Board or otherwise, as it deems necessary. The Board shall appoint the Chair. Each member shall serve a two-year term and may serve additional terms. All actions of the Accreditation Committee are subject to the final approval by the Board of Directors.

VII.2.3 *Cord Blood Bank Accreditation Committee.* The Cord Blood Accreditation Committee shall be responsible for developing, interpreting and revising the procedures for evaluating applicants for accreditation, determining whether applicants comply with the International Standards for Cord Blood Banking, developing an appeals process, reviewing appeals and developing such other procedures for assessing applicants for accreditation. The Board shall appoint at least two members of the Board to serve on the Committee and shall appoint such other members, whether members of

the Board of otherwise, as it deems necessary. The Board shall appoint the Chair of the Committee. Each member shall serve a two-year term and may serve additional terms. All actions of the Accreditation Committee are subject to the final approval by the Board of Directors.

VII.2.4 *Education Committee.* The mission of the Training and Development Committee shall be to identify, develop, implement and maintain actions to improve the quality of the inspection process and the inspectors. The committee shall have six (6) members including a chair, appointed by the Board of Directors. The term of appointment shall be two years, with a maximum of two terms. Three (3) of the members shall be elected in even-number years and three in odd-number years. The Training and Development Committee may adopt its own a schedule of operating procedures, subject to approval by the Board of Directors.

VII.2.5 *Grievance Committee.* The mission of the Grievance Committee shall be to receive, review and attempt resolution of any challenge to the impartiality, professionalism or ethical conduct of any FACT officer, member of the Board of Directors, inspector or staff. The committee shall have six (6) members including a chair, appointed by the Board of Directors. The term of appointment shall be two years, with a maximum of two terms. Three (3) of the members shall be elected in even-number years and three in odd-number years. The Grievance Committee may adopt its own a schedule of operating procedures, subject to approval by the Board of Directors.

VII.3 *Special Committees.* The Board of Directors may create special committees for specific tasks. The Chair of the Board of Directors shall appoint the members of special committees, subject to approval by the Board of Directors, from members of the Board of Directors and other persons whether or not affiliated with Principal Members. Special committees shall serve only for the purposes for which created and shall stand discharged upon completion of the tasks. Any member of a special committee may be removed from that committee with or without cause by a majority vote by the Board of Directors.

VIII.0 ARTICLE VIII : CHIEF MEDICAL OFFICER

VIII.1 *Qualifications.* The Chief Medical Officer shall be a physician appropriately qualified to carry out administrative responsibilities for FACT standards and accreditation programs.

VIII.2 *Manner of Selection.* The Chief Medical Officer shall be appointed by the Board of Directors and shall serve at the pleasure of the Board or as otherwise determined by contract with the Board.

VIII.3 *Compensation.* The compensation of the Chief Medical Officer shall be fixed from time to time by the Board of Directors.

VIII.4 *Duties and Responsibilities.* The Chief Medical Officer shall have authority and shall be responsible for the administration of the FACT standards, accreditation, quality improvement, and grievance programs and procedures, subject to such policies and orders as may be issued by the Board of Directors, or by limitations stated in these Bylaws. The Chief Medical Officer shall serve as Chair of the Accreditation Committee and the Cord Blood Accreditation Committee.

IX.0 ARTICLE IX: CHIEF EXECUTIVE OFFICER

IX.1 *Qualifications.* The Chief Executive Officer shall be appropriately qualified to carry out the administrative responsibilities of FACT.

IX.2 *Manner of Selection.* The Chief Executive Officer shall be appointed by the Board of Directors and shall serve at the pleasure of the Board or as otherwise determined by contract with the Board.

IX.3 *Compensation.* The compensation of the Chief Executive Officer shall be fixed from time to time by the Board of Directors.

IX.4 *Authority and Duties.* If a Chief Executive Officer is appointed by the Board of Directors, he or she shall be the managing director of FACT and responsible for the administration of FACT activities and departments, subject to the policies and orders as may be issued by the Board of Directors, or by limitations stated in these Bylaws. In addition, the Chief Executive Officer shall have the following specific authority and duties:

- IX.4.1 To prepare and submit to the Board of Directors the plan of organization of the personnel and others concerned with the operations of FACT programs.
- IX.4.2 To oversee the preparation of an annual budget showing expected receipts and expenditures, which shall be submitted to the Board of Directors for approval at its last regular meeting of each calendar year; to prepare the assessment for expenses under the budget for each Principal Member in accord with current policy for such allocation; and to present the amount of the contribution to the budget assessed against each Principal Member at the last regular meeting of the Board of Directors, provided that each Principal Member shall be notified on or before June 1 of any contemplated increase in the amount of its assessment for the succeeding calendar year.
- IX.4.3 To ensure the appropriate personnel are employed to fulfill the duties and responsibility of activities authorized by the Board of Directors.
- IX.4.4 To see that all physical properties of FACT shall be kept safe and in a good state of repair and operating condition.
- IX.4.5 To supervise all business affairs of FACT.
- IX.4.6 To submit reports of activities to the Board of Directors or its authorized committees as requested.
- IX.4.7 To attend meetings of the Principal Members and the Board of Directors
- IX.4.8 To serve as liaison officer and to channel all official communication between FACT and the Principal Members.
- IX.4.9 To sign contracts, documents, and instruments authorized by the Board of Directors.
- IX.4.10 To perform such other duties as may be assigned by the Board of Directors.

X.0 ARTICLE X: MISCELLANEOUS

- X.1 *Contracts.* The Board of Directors may authorize any officers or officers, agent or agents of FACT to enter into any contract or execute and deliver any instrument in the name of and on behalf of FACT, and such authority may be general or confined to specific instances.
- X.2 *Checks.* All checks, drafts, and other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of FACT, shall be signed by such officer or officers, agent or agents of FACT and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination, such instruments shall be signed by the Treasurer and countersigned by the President.
- X.3 *Gifts.* The Board of Directors may accept on behalf of FACT any grant, contribution, gift, bequest, or devise for the general purposes or for any special purpose of FACT.
- X.4 *Indemnity.* To the extent permitted by law, each Director, officer, committee member, and other agent of FACT shall be held harmless and indemnified by FACT against all claims and liabilities and all costs and expenses, including attorney's fees, reasonably incurred or imposed upon him or her in connection with or resulting from any action, suit or proceeding, or the settlement or compromise thereof, to which he or she may be made a party by reason of any action taken or omitted to be taken by him or her as Director, officer, committee member, or agent of FACT, in good faith. To the extent permitted by law, this right of indemnification shall apply to such person whether or not he or she is a Director, officer, committee member, or agent at the time such liabilities, costs or expenses are imposed or incurred and, in the event of his or her death, shall extend to his or her legal representatives. To the extent appropriate and reasonably available, and permitted by law, FACT shall insure against any potential liability hereunder.
- X.5 *Fiscal Year.* The fiscal year of FACT shall begin on January 1 and end on December 31 in each year.

XI.0 ARTICLE XI: DISSOLUTION

- XI.1 FACT may be voluntarily dissolved in the following manner:
 - XI.1.1 By (i) the adoption of a resolution by the Board of Directors recommending that FACT be dissolved and directing that the question of such dissolution be submitted to a vote at a regular or special meeting of Principal Members, or (ii) the request of any Principal Member that the question of such dissolution be submitted to a vote at a regular or special meeting of Principal Members; or
 - XI.1.2 By the giving of notice pursuant to Section IV.5, stating that the purpose, or one of the purposes, of the meeting of Principal Members is to consider the advisability of dissolving FACT.
 - XI.1.3 A resolution to dissolve FACT requires approval at a meeting of Principal Members by at least two-thirds of the votes of all Principal Members present or represented by proxy.

XII.0 ARTICLE XII: AMENDMENTS TO BYLAWS

- XII.1 These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by the affirmative vote of Directors representing three-fourths of the votes of all Directors at any regular or special meeting of the Directors, a quorum being present.

XIII.0 ARTICLE XIII: AMENDMENTS TO ARTICLES OF INCORPORATION

- XIII.1 The Articles of Incorporation may be amended in the following manner:
 - XIII.1.1 By (i) the adoption of resolution by the Board of Directors setting forth the proposed amendment and directing that it be submitted to a vote at a regular or special meeting of Principal Members or (ii) the request of one-twentieth (1/20) or more of the Principal Members that the proposed amendment be submitted to a vote at a regular or special meeting of Principal Members; and
 - XIII.1.2 By the giving of notice pursuant to Section IV.5, stating that the purpose, or one of the purposes, of the meeting of Principal Members is to consider the proposed amendment to the Articles of Incorporation.
- XIII.2 A resolution to amend the Articles of Incorporation adopted at a meeting of Principal Members requires least two-thirds of the votes of all Principal Members present or represented by proxy.

Approved by (date):

FACT Board of Directors (02/20/2012), Issued as Controlled Document by Quality Assurance (02/20/2012)