Article I
Membership

Section 1. Membership shall be open to persons not engaged in public tax practice who are employed by corporations and other businesses in an executive, administrative, or managerial capacity and who meet the following qualifications:

(1) In an organization having an integrated separate tax department, the head of that department and any other persons the department head shall designate, providing their work consists principally of administering taxes on an executive or management level.

(2) In an organization having a nonintegrated tax department where the tax function may be divided between the legal, accounting, or other departments, those persons who devote their principal time to the tax functions or whose principal responsibilities are the handling of the tax functions in their respective departments at an executive, administrative or management level, and any others whom such persons shall designate, providing their work consists principally of administering taxes on an executive or management level.

(3) In an organization having neither an integrated, separate tax department nor any person on an executive or management level whose full time is devoted to the tax function, those persons charged with the responsibility of administering the tax affairs of the organization on an executive or management level.

Section 2. As provided in Article VI, Section 3 of these By-Laws, the Board of Directors shall designate a Membership Committee that shall review and act upon applications for membership. Election to membership shall be by a majority vote of the Membership Committee, which shall act in accordance with these By-Laws and the guidelines established by the Board. Should the Membership Committee refuse an application for membership, the applicant may request the Board to review the Membership Committee’s decision, and the Board may, in its discretion, elect such applicant to membership.

Section 3. Any member or former member who shall no longer be eligible for membership under the provisions of Article I, Section 1 of the By-Laws shall be eligible for associate membership, provided that any subsequent activities are not inconsistent with the Principle and Purposes of the Institute, that such associate membership will be confined to members or former members who have retired under provisions of their corporate or other retirement plans and are not otherwise gainfully employed and, further provided, that such associate membership shall cease if such retirement ends and the individual becomes gainfully employed or self-employed. Election to associate membership shall rest in the discretion of the Membership Committee. Should the Membership Committee refuse an application for associate membership, the applicant may request the Board of Directors to review the Membership Committee’s decision, and the Board may, in its discretion, elect such applicant to associate membership.

Section 4. Any person who shall have rendered conspicuous service in the field of tax administration and/or the activities of this Institute shall be eligible for honorary membership. Election to honorary membership shall rest exclusively in the discretion of the Board of Directors. Honorary membership shall continue in effect until terminated by the Board of Directors. An honorary member shall pay no dues, shall have no vote, and shall not be eligible to hold office in the Institute except as otherwise determined by the Board of Directors.

Section 5. The Board of Directors may authorize such membership certificates, scrolls, or certificates of honor, etc., as it may deem proper. The Board may, in its discretion and for any reason, require the return of any such membership certificates, scrolls, or certificates of honor, etc., to the Institute.

Section 6. Resignation from membership shall be effective when received by the Institute.
Section 7. Involuntary termination of membership may be effectuated only if the Board of Directors of the Institute shall find, as provided herein, that the member has committed an act prejudicial to the Institute or to its Principle and Purposes, or otherwise no longer meets the eligibility requirements prescribed in Section 1, 3, or 4 of this Article I.

Proceedings to terminate the membership of any member shall be commenced by a resolution of the Board adopted by two-thirds of those present at the meeting at which such resolution shall be considered and voted upon. Such resolution shall specify in detail the act or acts alleged as the basis for such involuntary termination of membership. The person against whom such proceedings are brought shall be promptly furnished with a copy of such resolution and shall be afforded an opportunity for a hearing before the Board with respect to the truth or falsity of the charges. Such hearing shall take place not less than sixty (60) days after such notification. After the conclusion of the hearing the Board shall make its decision in the matter, which shall be final; provided, however, that a decision to terminate the membership shall not be effective unless approved by at least three-fourths of the directors present at the meeting at which such decision is considered and voted upon. No person against whom proceedings for termination of membership shall be brought shall be entitled to vote on any matter in connection therewith.

Article II
Directors and Officers

Section 1. Except as otherwise required by law or provided by these By-Laws, the entire control of the Institute and of its affairs and property shall be vested in the Board of Directors. The Board shall consist of the following:

- All Officers of the Institute;
- Until otherwise changed by a majority action of the Board, one director from each chapter of the Institute; and
- The qualifying Past Presidents of the Institute who shall continue their membership and consent to serve as directors,

provided that the size of the Board may not be reduced at any time if the effect of such reduction would be to remove an incumbent director.

Except as provided in Section 4 (in respect of Chapter Representatives) and Section 8 (in respect of vacancies) of this Article, directors shall be elected by the members of the Institute at the Annual Meeting of Members and each director shall be elected to serve for such director's respective term of office or until a successor shall be elected and shall qualify. The President of the Institute shall be the chair of the Board of Directors.

Section 2. The officers of the Institute shall be a President, a Senior Vice President, one or more Vice Presidents, and at the discretion of the Board of Directors, a Secretary and a Treasurer, all of whom shall be members of the Institute, who shall be elected in accordance with the procedure set forth in Article V, Section 5 of these By-Laws. Said officers shall hold office for one year or until their successors are elected and assume office. Any member may hold two of the aforesaid offices and may also hold office as a director or as an officer or director of any chapter.

Section 3. The officers shall perform the duties which are usually performed by such officers, and such duties as may be assigned to them from time to time by the Board of Directors. The President, or in the President’s absence the Senior Vice President, shall preside at all meetings of members of the Institute and both shall be ex-officio members, without vote, of all committees of the Institute, except the Nominating Committee. Further, in the event of the inability or incapacity of the President to carry out the duties of the office, such duties shall be performed by the Senior Vice President.
Section 4. Each of the Chapters shall have the right, once every two years, to elect a director (Chapter Representative) to a two-year term. The terms of office with respect to directors from the chapters shall be staggered so that the number of directors elected from the chapters each year shall be one-half of the number of chapters of the Institute. The manner of the election shall be prescribed in the Chapter Regulations.

To the maximum extent possible, the tenure of a Chapter Representative shall be limited to two consecutive two-year terms. A Chapter Representative may serve a third consecutive term only if the chapter explains in a written report submitted to the Executive Committee prior to the commencement of such third consecutive term why it is in the best interests of the Institute to extend service in this way. Under a rebuttable presumption, a Chapter Representative may not serve more than three consecutive terms. A chapter can rebut the presumption and have a Chapter Representative serve more than three consecutive terms by submitting a written report to the Executive Committee explaining: i) the steps the chapter has taken to develop new leadership and identify a replacement, and ii) why it is necessary for the incumbent Chapter Representative to serve another term. Such process must be followed each succeeding two-year term that a chapter wishes to elect the same chapter representative.

Section 5. Past Presidents of the Institute who remain in good standing and consent to serve shall be nominated to serve on the Board for up to three consecutive one-year terms following their service as President. In addition, all qualifying Past Presidents who served on the Board as of the 2006 Annual Meeting of Members shall be nominated to serve on the Board each year as long as they continue their membership and consent to serve as directors. Nothing in this section shall limit the eligibility of a Past President to serve on the Board as a Chapter Representative or an Officer.

Section 6. The Board of Directors shall hold at least two scheduled meetings annually. The first scheduled meeting shall be held immediately following the adjournment of the Annual Meeting of Members of the Institute. Notice of such meeting shall not be required. The second scheduled meeting shall be held at the call of the chair within 120 days subsequent to January 1 of each year. The Board of Directors may hold meetings other than the two regularly scheduled meetings at such places and at such times as it shall determine. The chair shall preside at all meetings. Meetings of the Board may be called at any time by the chair, or by any 10 members of the Board upon at least one week’s notice to each director. One third of the members of the Board of Directors shall constitute a quorum for all purposes.

Any one or more members of the Board may participate in a meeting of such Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 7. The resignation of any officer or director shall be effective when accepted by the Board of Directors.

Section 8. If, by reason of resignation, death, ineligibility, or otherwise, any vacancy shall occur in any office, or in the Board of Directors with respect to a director who was automatically nominated for Board membership because of being elected an officer of the Institute, the Board of Directors shall elect a member of the Institute to fill such vacancy provided, however, that should a vacancy occur in the office of President, the Senior Vice President shall perform all of the duties of President until a successor has been elected by the Board of Directors.

If, with respect to a director from any chapter, a vacancy occurs or any new directorship is created by any increase in the authorized number of directors resulting from the institution of a new chapter, the board of directors of said chapter may elect a member from its chapter to fill such vacancy or to fill the newly created directorship.

Officers and directors elected as herein provided shall hold office only until the next Annual Meeting of Members, at which a director or directors who shall serve for the remainder of any unexpired term or terms shall be elected.
Section 9. All directors and officers nominated and elected as provided herein shall assume office at the conclusion of the Annual Meeting of Members, except that the officers and directors elected by the Board of Directors as provided in Section 8 of this Article II shall assume office immediately following their election by the Board of Directors.

Section 10. The Board of Directors may appoint an Executive Director, one or more assistant secretaries, and such other employees, agents, and professional or technical counsel, as it may from time to time determine are required, none of whom need be members of the Institute, and may fix and pay the compensation thereof and reimburse them for such expenses as it may deem proper. The Executive Director shall be an ex-officio member, without vote, of the Board of Directors (except that the Executive Director shall not be deemed a director in ascertaining the number of directors under Article II, Section 1 or Article III, Section 4 of these By-Laws) and of all committees of the Institute except the Nominating Committee.

Section 11. The Board of Directors, at its first scheduled meeting, shall appoint an independent certified public accountant who shall examine the records and financial statements of the Institute for the current fiscal year and who shall submit a duly verified report thereon to the Board of Directors at its first scheduled meeting, (including any adjourned date thereof) of the next succeeding fiscal year.

Section 12. No elected officer or director, including chapter officers and directors, shall receive directly or indirectly, any salary, compensation or emolument from the Institute or chapter, but reimbursement may be made for actual expenses when authorized by the Board of Directors.

Article III
Meetings

Section 1. The Annual Meeting of Members of the Institute shall be called within a period of forty-five (45) days subsequent to July 1 of each year, for the purpose of electing directors, as provided in Article II, Section 1 and for the transaction of such other business as may be presented thereto. A meeting so called may be adjourned on account of a lack of a quorum or for such other reasons as the President may for good cause determine, provided the meeting is convened as soon as practicable thereafter.

At the Annual Meeting of Members, the President shall make a report of the activities of the Institute since the preceding Annual Meeting of Members, including therein a summary of the total membership of the Institute. Such report and summary shall be reduced to writing, and the report of the independent certified public accountant referred to in Article II, Section 10 made a part thereof, and shall be filed with the records of the Institute and a copy thereof filed with the minutes of the procedures of the Annual Meeting of Members. Copies of the report shall be furnished to the Board of Directors at its first scheduled meeting (including any adjourned date thereof) following such Annual Meeting of Members.

Section 2. The Secretary shall call meetings of the Institute at such time and place as directed by the President or a majority of the Board of Directors. Such meetings may be held outside the State of New York.

Section 3. Notice of all meetings of the Institute shall be mailed to all members at least two weeks before the date of such meeting and shall state the time, place, and purposes thereof.

Section 4. Ten (10) percent of the members of the Institute, whether present in person or represented by proxy, shall constitute a quorum for all purposes.

Section 5. All proxies must be executed in writing, provided by electronic mail or accomplished by other means that are valid under section 609(b) of the New York Not-for-Profit Corporation law, as amended. Proxies may be general or specific, and may be revoked at any time, but in any event shall not be valid after the expiration of six months from date of execution. Revocation of proxies shall be made in writing mailed to or filed with the Secretary or by electronic mail with the Secretary.
Section 6. Notice of any meeting prescribed by these By-Laws may be waived in writing by a member or director as the case may be.

Section 7. The order of business at any meeting, as set forth in the meeting agenda, may be changed by a majority of the members present in person or represented by proxy. A motion to change the order of business shall not be debatable.

Article IV
Dues and Finances

Section 1. The amount of the annual dues of all members shall be established by the Board of Directors annually in advance, a portion thereof deemed to cover the cost of publication of *Tax Executive* and other publications of the Institute.

The Institute shall remit annually to each chapter a pro-rata amount established by the Board of Directors from the dues paid by each member of each chapter. The amount so established shall be uniform throughout the Institute. The portion of the annual dues remitted by the Institute to the chapter is intended to defray the cost of chapter operations for postage, mailings, expenses of guest speakers and prospective members, and other normal administrative expenses, and the chapter may not collect additional dues from members. The chapter may, however, assess members for meals, beverages, and other costs of chapter functions.

The amount of the annual dues of all associate members shall be established by the Board of Directors payable annually in advance.

The Institute’s fiscal year shall run from July 1 to June 30. Dues payments shall cover this period, and the Treasurer of the Institute shall have the authority to prorate the dues of new members so that all members can be billed on the same date. Dues shall be billed at least sixty (60) days in advance of the beginning of the year, and thirty (30) days before the beginning of the year, an additional notice shall be mailed to unpaid members and associate members. At the beginning of the fiscal year, a notice of delinquency shall be mailed to all unpaid members and associate members apprising them of their delinquency and of their ineligibility to receive any benefits of membership. The Board of Directors shall have authority to impose a late charge in respect of any member or associate member paying after the beginning of the Institute’s fiscal year. If the period of delinquency continues for an additional thirty (30) days, the membership or associate membership shall automatically terminate; the Board of Directors, however, may provide for subsequent reinstatement.

An initiation fee equal to the amount of the annual dues for regular membership shall be levied on each applicant for regular membership in the Institute. The Institute’s Board of Directors may, from time to time, waive this requirement for a limited period, one or more chapters, or a particular geographic area.

Section 2. The Board of Directors shall establish the policy for the deposit and investment of Institute funds, including chapter and regional funds. Such funds shall be disbursed upon the order or orders of such persons as may be prescribed by the Board of Directors.

Section 3. The fiscal year of the Institute shall end June 30.

Article V
Nominations

Section 1. The Board of Directors, at its first scheduled meeting, shall appoint a Nominating Committee, the chair of which shall be the immediate Past President. The members of the Nominating Committee shall be the President, Senior Vice President, and the immediate Past President, and one member appointed from each of the regions represented by a Vice President. There shall also be appointed from each region, an alternate to serve as a member of the Nominating Committee in the event the member appointed from such region is unable to serve. The member and alternate from each region shall be appointed by the Board upon the recommendation of a caucus of the Board members representing the chapters within each
respective region. The caucus shall be chaired by the Regional Vice President, or, in the absence of the Regional Vice President, by a Board member from the region, as selected by the President. With the exception of the President, Senior Vice President, immediate Past President, and qualifying representatives from the Institute’s Non-North American chapters and regions, no current officer or director, and no other Past President, and no member who shall have served on the last preceding Nominating Committee, shall be eligible for appointment to the Nominating Committee. The chair of the Nominating Committee in his or her sole discretion, not to be unreasonably exercised may allow a current Board member who represents a non-North American chapter or region to serve on the Nominating Committee provided no other member from the affected region or chapter is available to serve.

Section 2(i). The Nominating Committee shall make nominations for officers, except that the Senior Vice President shall automatically succeed to the office of President at the next Annual Meeting of Members by operation of these By-Laws. No member of the Nominating Committee shall be nominated for office by the committee. unless the chair of the Nominating Committee in his or her sole discretion, not to be unreasonably exercised, authorizes an exception. The chair is authorized to grant exceptions for qualifying representatives from the Institute’s non-North American chapters and regions (described above in Article V, section 1) and replacement members of the Nominating Committee (described below in Article V, section 2(ii)). If such an exception is granted, the member serving the dual role as a member of the Nominating Committee and candidate for office shall leave the room during discussion of and voting on his or her candidacy, and reenter once voting for that position has concluded. Under no circumstances, however, shall a member serve on the Nominating Committee if that member is also a candidate for Treasurer.

Section 2(ii). Nominations for officers shall be decided upon by those members appointed from each of the regions (or their alternates) who are physically present at the Nominating Committee meeting (collectively, the Voting Members of the Nominating Committee). In recognition of the fact that from time to time a region’s representative to the nominating committee may be unable to attend the meeting due to force majeure or other extenuating circumstances, the Chair of the Nominating Committee shall have sole discretion, not to be unreasonably exercised, to grant an exception to the physical presence requirement by allowing such representative to participate by means of a conference telephone or similar communications equipment that allows all persons participating in the meeting to hear each other at the same time or by allowing such representative to name a replacement to the committee from the representative’s region, including a member of the Board. Each of the Voting Members of the Nominating Committee shall have an equal vote in determining nominees for officers. The President, Senior Vice President, and chair of the Nominating Committee shall not be entitled to a vote, except in the event of a tie in which case the chair, or, if the chair is absent, the President, shall be entitled to cast a vote.

Section 2(iii). A report reflecting the results of the vote of the Voting Members of the Nominating Committee signed by a majority of such members shall be filed with the Secretary not later than January 31. The report shall be distributed to the membership no later than March 1, either by publication in the Institute’s magazine, by mail, or by posting to the Institute’s website. Such report shall include a statement containing the name of each retiring officer and the name or names of persons nominated as the successor.

Section 3. Nominations may also be made by twenty-five or more members of the Institute. Such nominations shall be in writing, signed by the nominating members, and filed with the Secretary not later than March 31. A report of such nominations shall be distributed to the membership no later than May 1, either by publication in the Institute’s magazine or by mail, and such report shall be in as great detail as specified in Section 2 of this Article V.

Section 4. Only nominations made as hereinbefore provided in this Article V shall be in order.

Section 5. If the slate of officer nominees selected by the Nominating Committee as provided in Section 2 of this Article is unopposed (with no other nominations having been made under Section 3 of this Article), the unopposed officer nominees shall be deemed elected by operation of these By-Laws.
If more than one individual is nominated for a position(s) (either by the Nominating Committee or by a petition filed in accordance with Section 3 of this Article V), the names of those nominees shall be placed on a ballot and mailed to the members of the Institute. To be counted, the mail ballots must be returned to the Secretary no later than June 30 each year. The unopposed nominees selected by the Nominating Committee shall be deemed elected by operation of these By-Laws.

Article VI
Committees

Section 1. The Board of Directors at its first scheduled meeting shall appoint an Executive Committee from among the members of the Board.

The Executive Committee shall consist of 11 members, 4 of whom shall be the President, the Senior Vice President, the Secretary, and the Treasurer. The President shall serve as chair and the Senior Vice President as vice chair of the committee.

If, for any reason, one or more of the above officers are unable or unwilling to serve, their places shall be filled from among other members of the Board, by election by the Board. The Executive Committee shall have and exercise such powers of the Board of Directors in the management and business affairs of the Institute as may be delegated in writing by or by minutes of the Board, and not otherwise inconsistent with any other provision of these By-Laws. The Executive Committee shall keep minutes of its meetings which shall be submitted for ratification at the next succeeding meeting of the Board of Directors. The Executive Committee shall hold regular meetings monthly or as it may otherwise determine, at such places and at such times and upon such notice as it may in its discretion determine.

Section 2. Meetings of the Executive Committee may be called at any time by the chair of the committee or by any two of its members upon at least two days’ notice.

Six members of the Executive Committee, present either in person or by telephone, shall constitute a quorum for all purposes. Except where otherwise provided by the Board of Directors, the Executive Committee may take any action by a majority vote.

Section 3. The Board of Directors at its first meeting after every Annual Meeting shall, except as otherwise provided in these By-Laws, designate a Membership Committee and such other standing committees as deemed appropriate, and the duties of each such committee. The Membership Committee shall, in accordance with Article I, Sections 2 and 3 of these By-Laws and the guidelines established by the Board, review and act upon applications for membership and associate membership. In its discretion, the Board may establish the number of members to serve on each standing committee.

Section 4. Except as otherwise provided in these By-Laws, the President shall designate the personnel of each committee and the chair thereof.

Article VII
Seal

Section 1. The seal of the Institute shall consist of two concentric circles having between the words, “TAX EXECUTIVES INSTITUTE, INC.”, and in the center the words “CORPORATE SEAL-1944-NEW YORK.”

Article VIII
Chapters

Section 1. The Board of Directors may authorize local chapters of the Institute in such manner and subject to such regulations as it may determine. In exercising this authority, the Board may approve the Institute’s establishment of another organization, whether organized under the laws of the United States, Canada, or another country, and provide such organization with representation in the Institute’s governance.
Section 2. Members not located within the area of any local chapter shall be designated as members-at-large only until such time as a local chapter may be organized within the area. The definition of area is at the discretion of the Board of Directors.

Article IX
Rules of Procedure

Section 1. The rules of procedure at meetings of the members of the Institute shall be according to Robert's Rules of Order, so far as applicable and when not inconsistent with these By-Laws. The rules of procedure at any meeting may be changed by a majority of the members present in person or represented by proxy.

Article X
Amendments

Section 1. Amendments to the By-Laws may be proposed by the Board of Directors or by not less than five percent of the entire number of members of the Institute. Amendments so proposed shall become effective if (1) a majority of the members present in person or represented by proxy at any meeting of the members of the Institute shall vote in favor of such amendments to the By-Laws, provided notice of the meeting with provision for voting by proxy has been mailed to the members of the Institute at least 30 days prior to the date of such meeting; or (2) a majority of the entire number of members of the Institute shall vote by mail ballot in favor of such amendments to the By-Laws.