



**BYLAWS  
OF  
THE INTERNATIONAL ASSOCIATION OF  
CREDIT PORTFOLIO MANAGERS, INC.**

**ARTICLE I - OFFICES**

The International Association of Credit Portfolio Managers, Inc. (the “Association”) shall maintain its principal offices in New York, New York. The Association may also have offices at such other places both within and without the State of New York and the United States of America as the Board of Directors may from time to time determine or as the affairs of the Association may require.

**ARTICLE II - PURPOSES**

The purposes of the Association are as follows:

- a. To further the understanding and management by financial institutions of their credit exposures, both on- and off-balance sheet and howsoever evidenced, created or originated (collectively, “Credit Portfolio Management”), by providing a forum for member institutions to exchange ideas on topics of practical interest;
- b. To create a forum for the discussion of issues of relevance to participants in credit markets and to cooperate with other organizations on issues of mutual concern in order to promote common interests;
- c. To inform its members of legislative and administrative developments affecting participants in Credit Portfolio Management; to provide a forum for its members to examine and review such developments; and to represent effectively the common interests of its members before legislative and administrative bodies and international or quasi-public institutes, boards and other bodies;
- d. To foster research on Credit Portfolio Management; and
- e. To exercise any and all powers in carrying out the Association’s purposes that may be conferred upon corporations formed pursuant to the Not-for-Profit Corporation Law of the State of New York or that may be necessary or incidental to the powers so conferred, including, without limitation, the powers enumerated in Section 202(a) of such law; provided, however, that nothing herein shall authorize the Association, directly or indirectly, to engage in or include among its purposes any activity mentioned in Sections 404(b) through 404(v) of such law or any activity which would constitute a violation of any applicable antitrust or trade regulation law.



## ARTICLE III - MEMBERSHIP

**SECTION 1. Eligibility.** The Association shall have two classes of members. The designation of each class and the qualifications of the membership of each such class shall be as follows:

- a. **Members.** Every financial institution that, directly or through an affiliate, as a substantial part of its business actively manages a portfolio of corporate loans, bonds, or other similar credit assets shall be eligible for election to membership in the Association as a Member (“Member”). For the purposes of these Bylaws, a “financial institution” means (i) an entity a principal activity of which consists of accepting deposits and making loans, (ii) an entity that is registered as a broker or dealer with the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended, or (iii) any other entity whose activities the Board of Directors in its sole discretion determines, in considering such entity’s application for Membership pursuant to Section 2 of this Article 3, are primarily financial in nature.

Members shall have such rights and privileges as are provided in these Bylaws and such additional rights and privileges (not inconsistent herewith) as may be provided by resolutions of the Board of Directors.

- b. **Associate Members.** Any entity not eligible for membership in the Association as a Member and which meets those criteria for associate membership to be established by the Board of Directors shall be eligible for membership in the Association as an Associate Member (“Associate Member”). Associate Members shall have such rights and privileges as are provided in these bylaws and such additional rights and privileges (not inconsistent herewith) as may be provided by resolutions of the Board of Directors.
- c. **Other Members.** The Board of Directors may create new classes of members or further classify Members of the Association for purposes of voting, the payment of dues, or for any other purpose deemed appropriate by the Board of Directors.

**SECTION 2. Election to Membership.** Unless waived by the Board of Directors, any applicant seeking membership in the Association shall make written application, in a form containing information specified by the Board of Directors, to the Secretary of the Association. Upon receipt of such application, the Secretary shall promptly furnish a copy thereof to the Board of Directors or to such committee of the Board of Directors as the Board may from time to time designate. The Board or such committee, as the case may be, shall cause such examination to be made as it deems appropriate to determine whether the applicant is eligible for membership. Members of the Association shall be elected by a majority vote of the entire Board of Directors. The Board of Directors, in voting on an application for membership, shall be entitled to consider such other factors in addition to the applicant’s eligibility for membership as it shall determine to be relevant to the effectiveness of the Association’s implementation of its purposes.

**SECTION 3. Termination of Membership.** Any Member may terminate its membership in the Association at any time by giving notice in writing to the Secretary, prior to the end of such calendar year, of its intention to resign its membership. Any Member may be suspended or removed at any time by a vote of three-fourths of the Directors present at any meeting of the Board of Directors. Membership in the Association shall not be transferable.

#### **ARTICLE IV - DUES AND ASSESSMENTS**

**SECTION 1. Amount and Time of Payment.** Members shall pay initial membership fees and annual dues in such amounts, in such manner and at such times as may from time to time be determined by the Board of Directors; however, the Board of Directors may only assess annual dues for the calendar year following the year during which the Board of Directors makes such assessment. No dues shall be assessed retroactively. In fixing the amounts of initial membership fees and annual dues payable by any Member, or the amount of any special assessment imposed pursuant to Section 2 of this Article IV, the Board of Directors shall endeavor to achieve equity of assessments by considering, among other things, the volume and character of business done by and the size of respective Members. Each Member shall receive written notice of its requisite amount of initial membership fees. Each Member shall receive written notice of its requisite amount of annual dues at least one month prior to the time that such payment shall be due.

**SECTION 2. Special Assessments.** Members of the Association shall pay such special assessments as the Board of Directors may from time to time levy in order to defray extraordinary or unusual costs or expenses incurred by or on behalf of the Association, including, without limitation, printing and legal expenses.

**SECTION 3. Assessments for Special Projects.** The Board of Directors may levy an assessment against a specified Member of the Association, or levy pro rata assessments against several specified Members for any special projects undertaken for which the Board of Directors deems it appropriate to levy an assessment against such Members, provided that no Member shall become obligated to pay such an assessment without such Member's consent. Payment by a Member, in whole or in part, of any such assessment shall constitute such Member's consent to such assessment.

**SECTION 4. No Refunds.** No initial membership fees, annual dues or assessments shall be refunded to any Member whose membership terminates or is suspended for any reason.

#### **ARTICLE V - MEETINGS OF MEMBERS**

**SECTION 1. Semiannual Meetings.** Meetings of the Members of the Association for the election of Members of the Board of Directors and for the transaction of such other business as may properly come before the meeting shall be held semiannually at such time and place as may

be determined by the Board of Directors. As used in these bylaws, unless the context otherwise requires, the term ‘annual meeting’ means the second semi-annual meeting of any calendar year.

**SECTION 2. Special Meetings.** In addition to such special meetings as are provided for by law or by the Certificate of Incorporation, special meetings of the Members of the Association may be called at any time by the Board of Directors or by the Chairman of the Board of Directors and may be held at such time, on such day and at such place as shall be designated in the notice of such meeting.

**SECTION 3. Attendance.** The attendance at a meeting of the Members of the Association of an officer, partner, principal or employee of a Member, or of an officer, partner, principal or employee of an affiliate of such Member through which such Member engages in Credit Portfolio Management activities, selected by such Member, or any other person holding a written proxy duly executed by or on behalf of such Member, shall constitute attendance by such Member at such meeting.

**SECTION 4. Notice of Meetings.** Except as otherwise provided by law, written notice of each meeting of Members shall be given either by delivering a notice personally or mailing by first class mail a notice to each Member entitled to vote at such meeting or by sending an email message to each Member entitled to vote at such a meeting. If mailed, the notice shall be directed to the Member in a postage-prepaid envelope at its address as it appears in the records of the Association unless, prior to the time of mailing, it shall have filed with the Secretary a written request that notices intended for it be mailed to some other address, in which case the notice shall be mailed to the address designated in such request. Notice of each meeting of Members shall be in such form as is approved by the Board of Directors and shall state the date and time when and the place where it is to be held, and shall be delivered personally or mailed not more than 50 days and not less than 10 days before the day of the meeting. In the case of special meetings, such notice shall also state the purpose or purposes for which the meeting is called. Except as otherwise provided by law, the business which may be transacted at any such meeting of Members shall consist of and be limited to the purpose or purposes so stated in such notice. No notice need be given of any adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken.

**SECTION 5. Waiver of Notice.** Whenever notice is required to be given under any provision of law or of the Association’s certificate of incorporation, as amended from time to time (the “Certificate of Incorporation”), or these Bylaws, a waiver thereof by the Member entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a Member at a meeting of Members shall constitute a waiver of notice of such meeting, except when the Member attends such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Waiver of notice may be written or electronic. If written, the waiver must be executed by the Member or the Member’s authorized agent by signing such waiver or causing his or her signature to be affixed to such waiver by any reasonable means, including a facsimile signature. If electronic, the transmission of the waiver must be sent by e-

mail and set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by the Member. Neither the business to be transacted at, nor the purpose of, any meeting of Members need be specified in any waiver of notice unless so required by the Certificate of Incorporation.

**SECTION 6. Organization and Conduct of Meeting.** The Chairman of the Board of Directors shall preside at all meetings of the Members at which he or she is present. If the Chairman of the Board shall be absent from any meeting of the Members of the Association, one of the Vice Chairmen shall preside at such meeting. In the absence of the Chairman and the Vice Chairmen, a chairman shall be elected by the plurality vote of the Members present to preside at such meeting. The Secretary of the Association or in his or her absence an individual designated by the person presiding a meeting of the Members shall act as secretary of such meeting. The Board of Directors shall present at the annual meeting of the Members a report, verified by the President and Treasurer or by a majority of the directors, or certified by an independent public or certified public accountant or a firm of such accountants selected by the Board of Directors, showing in detail the following:

- (1) the assets and liabilities, including the trust funds, of the Association as of the end of a twelve-month fiscal period terminating not more than six months prior to said meeting;
- (2) the principal changes in assets and liabilities, including trust funds, during said fiscal period;
- (3) the revenue or receipts of the Association, both unrestricted and restricted to particular purposes, during said fiscal period;
- (4) the expenses or disbursements of the Association, for both general and restricted purposes, during said fiscal period; and
- (5) the number of Members of the Association as of the date of the report together with a statement of increase or decrease in such number during said fiscal period, and a statement of the place where the names and addresses of current Members may be found.

The annual report shall be filed with the records of the Association, and a copy or abstract thereof entered in the minutes of the proceedings of the annual meeting of the Members.

**SECTION 7. Order of Business.** The order of business at each meeting of Members shall be as determined by the person presiding at such meeting or as may otherwise be determined by the vote of a majority of the Members present in person or by proxy and entitled to vote at such meeting.

**SECTION 8. Adjournments.** Any annual or special meeting of Members, regardless of whether the Members attending such meeting shall constitute a quorum, may, by vote of the majority of such Members, be adjourned to a subsequent date.

**SECTION 9. Quorum.** A meeting of Members shall not be organized for business unless a quorum is present. The presence in person or by proxy of not less than a majority of the total number of Members entitled to vote shall constitute a quorum. If a quorum is found to exist at a

meeting of Members, it shall be deemed to exist until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum.

**SECTION 10. Voting.** Each Member shall be entitled to one vote on all matters submitted to a vote of the membership. A Member's vote may be exercised at meetings by an officer, partner, principal or employee of a Member, or an officer, partner, principal or employee of an affiliate of such Member through which such Member conducts its Credit Portfolio Management activities, selected by such Member, or any other person holding a written proxy duly executed by or on behalf of such Member, provided that such proxy is received by the Secretary of the Association before the vote or action for which such proxy is executed is taken. Subject to any provision of law, the Certificate of Incorporation, or these Bylaws, the affirmative vote of a majority of votes entitled to be cast by the Members present in person or by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the Members.

**SECTION 11. Consent in Lieu of Meeting.** Any action required or permitted to be taken by the Members at a meeting may be taken without a meeting upon the consent of all of the Members entitled to vote with respect to the subject matter thereof, and mailed to, and received by, the Secretary of the Association. Such consent may be written or electronic. If written, the consent must be executed by the Member or Member's authorized agent by signing such consent or causing his or her signature to be affixed to such consent by any reasonable means, including a facsimile signature. If electronic, the transmission of the consent must be sent by e-mail and set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by the Member. Such consent shall have the same force and effect as a vote taken at a properly convened meeting of the Members of the Association. A certificate of the Secretary or another officer of the Association with respect to such consent, or a signed copy of such consent (which may be executed in counterparts), shall be filed in the minute book of the proceedings of the Members of the Association.

**SECTION 12. Inspectors.** The Board of Directors, in advance of any meeting of Members, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a meeting of Members may, and at the request of any Member entitled to vote thereat shall, appoint two inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability.

The inspectors shall determine the number of Members, the number of Members represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all Members. On request of the person presiding at the meeting or any Member entitled to vote thereat, the inspectors shall

make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

The requirement of there being inspectors present at meetings of the Members shall be waived unless compliance therewith is requested by a Member present in person or by proxy and entitled to vote at such meeting.

**SECTION 13. List or Record of Members at Meetings.** A list or record of Members entitled to vote, certified by the Secretary or any Assistant Secretary of the Association, shall be produced at any meeting of Members upon the request therefore of any Member who has given written notice to the Association at least ten days prior to such meeting that such request will be made. If the right to vote at any meeting is challenged, the inspectors of election, or the person presiding thereat, shall require such list or record of Members to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list or record to be Members entitled to vote thereat may vote at such meeting.

**SECTION 14. Proxies.** Every Member entitled to vote at a meeting of Members or to express consent or dissent without a meeting may authorize another person or persons to act for him or her by proxy.

A Member may execute a writing authorizing another person or persons to act for him or her as proxy, signed by the Member or such Member's attorney-in-fact, or may authorize another person or persons to act for him or her as proxy by providing such authorization by e-mail to the person who will be the holder of the proxy, provided that any such authorization by e-mail shall set forth information from which it can be reasonably determined that the authorization was authorized by the Member.

No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Proxy executing it, except as otherwise provided by law.

**SECTION 15. Qualification of Voters; Fixing Record Date; Voting Entitlement.** The Board of Directors may fix, in advance, a date as the record date for the purpose of determining the Members entitled to notice of any meeting of Members or any adjournment thereof. Such record date shall not be more than fifty nor less than ten days before the date of the meeting.

Any Member in good standing, otherwise eligible to vote, is entitled to vote at any meeting of Members, except that the Board of Directors may fix a date as the record date for the purpose of determining the Members entitled to vote at any meeting of Members or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting or for the purpose of any other action by the Members. Such record date shall not be more than fifty nor less than ten days before the date of the meeting. If no such record date is fixed: (1) the record date for the determination of Members entitled to vote at a meeting of Members shall be at the

close of business on the day next preceding the day on which notice is given, or, if no notice is given, the day on which the meeting is held; and (2) the record date for determining Members for any other purpose shall be at the close of business on the day on which the resolution of the Board of Directors relating thereto is adopted.

When a determination of Members of record entitled to notice of or to vote at any meeting of Members has been made as provided in this Section 15, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date for the adjourned meeting.

In any case in which a Member is entitled to vote, such Member shall have no more than, nor less than, one vote.

## **ARTICLE VI - BOARD OF DIRECTORS**

**SECTION 1. Powers.** The management of the property, affairs, business and activities of the Association shall be vested in the Board of Directors, which shall have all powers necessary and proper for the conduct of the Association's business and the advancement of its purposes.

**SECTION 2. Qualifications of Directors.** Each member of the Board of Directors elected in accordance with the procedures set forth in Section 4(b) of this Article must be an officer, partner, principal or employee of a Member or an officer, partner, principal or employee of an affiliate of such Member through which such Member conducts its Credit Portfolio Management activities. At no time shall more than one employee of any Member serve on the Board of Directors. If, due to a merger, acquisition or for any other reason, more than one employee of any Member is serving as a Director, such Member shall cause one such employee to resign from the Board of Directors effective with the date of the next meeting of the Board of Directors. A director, if any, appointed in accordance with the procedures set forth in Section 4(c) of this Article must be the Executive Director of the Association.

**SECTION 3. Number.** The number of Directors which shall constitute the entire Board of Directors shall be fixed from time to time by resolution of the Board of Directors, but shall not be less than 3 nor more than 25. Any newly created directorships or any decrease in directorships (other than a directorship described in Section 4(c) of this Article) shall be so apportioned among the classes of directors described in Section 4(a) of this Article as to make all classes as nearly equal in number as possible. The directors elected in accordance with the procedures set forth in Section 4(b) of this Article and the director, if any, appointed in accordance with the procedure set forth in Section 4(c) of this Article shall constitute the entire Board of Directors. For purposes of these By-laws, the entire Board shall consist of the total number of directors entitled to vote if there were no vacancies.

### **SECTION 4. Election.**

- a. The directors shall be elected or appointed in accordance with the procedures set forth in Sections 4(b) and 4(c) of this Article and the directors elected

pursuant to Section 4(b) shall be classified, with respect to the time for which they severally hold office, into two classes which shall be as nearly equal in number as possible, in each case to hold office until their successors are elected and qualified, except the following individuals who are Directors as of the date of initial adoption of these Bylaws on November 8, 2001 shall serve until the annual meeting of Members held in 2002 and until their successors shall be elected and qualified: Hetty Harlan, Stuart Brannan, Paige K. Kurtz, Charles Hyle, Loretta Hennessey, Robin Lenna, Gene Guill, James L. Gertie, John J. Coffey, Allan Yarish, and Edward Kyritz. Two classes of directors, Class A and Class B, shall be elected to succeed the initial directors at the annual meeting of Members held in 2002. Directors in Class A (“Class A”) shall be elected and qualified to serve as Directors until the annual meeting of Members held in the first year following the year of their election and until their successors shall be elected and qualified. At the annual meeting of Members held in 2003 and at all subsequent annual meetings of Members at which the terms in office of Class A expire, Class A shall be elected to serve until the annual meeting of Members held in the second year following the year of their election and until their successors shall be elected and qualified. Directors in Class B (“Class B”) shall be elected to serve until the annual meeting of Members held in the second year following the year of their election and until their successors shall

be elected and qualified. If the number of directors constituting the entire Board of Directors is changed by the Board of Directors, any newly created directorship or any decrease in the number of directorships shall be so apportioned between the classes as to make both classes as nearly equal as possible; provided, however, that no decrease of the number of directors shall shorten the term of any incumbent director. Directors elected by the Board of Directors pursuant to Section 15 of this Article shall serve for the term provided for in such Section. Any director appointed pursuant to Section 4(c) shall serve a term of one year or as otherwise determined in the resolution of the Board of Directors establishing the appointment of such Director.

- b. The Members of the Association shall elect members of each Board of Directors in accordance with the following procedures. At least 30 days prior to each annual meeting of the Members of the Association, other than the annual meetings to be held in 2001 and 2002, or each special meeting called pursuant to Section 15 of this Article, the incumbent Board of Directors shall, in the manner provided by Section 1 of Article VII, appoint a nominating committee consisting of members of the Board of Directors to nominate candidates for election to the Board of Directors at such annual or special meeting of Members. The members of the nominating committee shall consist of some or all of the directors elected pursuant to this Section 4(b) whose term of office is not expiring at the time of such meeting. The nominating committee shall, by resolution adopted by affirmative vote of a majority of the

whole nominating committee, propose for each class of directors a number of candidates for the Board of Directors equal to the number of directors to be elected in each such class at such annual or special meeting. A list of such nominees shall be delivered or mailed to all Members of the Association not less than 20 days before the date of the annual or special meeting. At the annual meeting of Members to be held in 2002, the Chairman of the Board of Directors shall decide, without a vote of the Members, which Directors selected in 2001 shall stand as nominees for Class A and which shall stand as nominees for Class B. All nominees for Director in 2002 shall be Directors elected at the annual meeting of the Members held in 2001. Beginning in 2003, Members of the Association may nominate candidates for election as directors in addition to those nominated by the nominating committee by submission of a nominating petition to the Secretary of the Association at least one week prior to such annual or special meeting, provided that the nominating petition relating to any such proposed nominee shall be effective only if it bears the signatures of persons representing at least three Members of the Association. At such annual or special meeting, each Member of the Association (or its proxy) shall be requested to vote for a number of nominees equal to the number of directors to be elected. Ballots purporting to vote for a greater number of nominees shall not be counted. In any election of directors pursuant to Section 4(a) or Section

15 of this Article VI, the nominees in each class of directors for which one or more directors are to be elected at such election who are validly nominated under these Bylaws and who receive the greatest number of the votes cast among the persons nominated for such class, up to the number of directors to be elected in each such class in such election, shall be deemed elected.

- c. In addition to the directors elected in accordance with the procedures set forth in Subsection 4(b), the Board of Directors may, by affirmative vote of a majority of the entire Board of Directors, appoint the Executive Director of the Association as a director of the Association by virtue of his or her office in the Association. The Executive Director may be appointed for a term of office as designated by the Board of Directors (subject to annual reappointment by each new Board of Directors at its organization meeting), but in no case shall an Executive Director's term of office continue if that individual ceases, for any reason, to be the Executive Director of the Association. The Board of Directors will not be required to classify the directorship held by the Executive Director as described in Sections 3 and 4(a) of this Article.

**SECTION 5. Place of Meetings.** Meetings of the Board of Directors may be held at any place, within or without the State of New York and the United States of America, from time to time designated by the Board of Directors.

**SECTION 6. Organization Meeting.** A newly elected Board of Directors shall meet and organize, and also may transact any other business which might be transacted at a regular meeting thereof, within two months after each annual meeting of Members. Such organizational meeting may take place at the same place where such meeting of Members took place, without notice of such meeting, or may be held at any other time or place which may be specified in a notice given in the manner provided in or pursuant to Section 7 or 8 of this Article for regular or special meetings of the Board of Directors, or in a waiver of notice thereof.

**SECTION 7. Regular Meetings.** Regular meetings of the Board of Directors shall be held at such times as may be determined by resolution of the Board of Directors and no notice shall be required for any regular meeting. Except as otherwise provided by law, any business may be transacted at any regular meeting of the Board of Directors.

**SECTION 8. Special Meetings; Notice and Waiver of Notice.** Special meetings of the Board of Directors shall be called by the Secretary on the request of the Chairman of the Board or one of the Vice-Chairmen or on the request in writing of any two other directors stating the purpose or purposes of such meeting. Notice of any special meeting shall be in form approved by the Chairman of the Board or one of the Vice-Chairmen, as the case may be. Notices of special meetings shall be mailed to each director, addressed to him or her at his or her residence or usual place of business, not later than five days before the day on which the meeting is to be held, or shall be sent to him or her at such place by telex, telegraph, cable or other form of recorded communication or be delivered personally or by telephone not later than three days before such day of meeting. Notice of any meeting of the Board of Directors need not be given to any director if he or she shall provide a waiver thereof either before or after the time stated therein, or if he or she shall attend a meeting, except when he or she attends such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Such waiver may be written or electronic. If written, the waiver must be executed by the director by signing such waiver or causing his or her signature to be affixed to such waiver by any reasonable means, including a facsimile signature. If electronic, the transmission of the waiver must be sent by e-mail and set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by said director.

Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in any notice or written waiver of notice unless so required by the Certificate of Incorporation or by these Bylaws. Unless limited by law, by the Certificate of Incorporation or by these Bylaws, any and all business may be transacted at any special meeting.

**SECTION 9. Organization of Meetings.** The Chairman of the Board shall preside at all meetings of the Board of Directors at which he or she is present. If the Chairman of the Board shall be absent from any meeting of the Board of Directors, one of the Vice-Chairmen shall preside at such meeting, and in the absence of both the Chairman and the Vice-Chairmen, then the most senior officer of the Association present, if he or she is a member of the Board of Directors, shall so preside unless the Board of Directors shall otherwise provide. If no such

officer is present at such meeting, one of the directors present shall be chosen by the members of the Board of Directors present to preside at such meeting. The Secretary of the Association shall act as the secretary at all meetings of the Board of Directors, and in his or her absence a temporary secretary shall be appointed by the person presiding at the meeting, unless the Board of Directors shall otherwise provide.

**SECTION 10. Quorum and Manner of Acting.** At every meeting of the Board of Directors a majority but in no event fewer than one-half of the total number of directors constituting the entire Board of Directors shall constitute a quorum. Except as otherwise provided by law or by the Certificate of Incorporation, or in the case of (i) filling a vacancy on the Board of Directors, (ii) appointing committees, (iii) filling a committee vacancy, (iv) removing an elected officer or (v) amending these Bylaws (all of which require the vote of a majority of the entire Board of Directors), the vote of a majority of the directors present at any such meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present may adjourn any meeting, from time to time, until a quorum is present. No notice of any adjourned meeting need be given other than by announcement at the meeting that is being adjourned. Members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors of such committee by means of conference telephone or similar communications equipment or by electronic video screen communication. Such participation shall constitute presence in person at a meeting, as long as all persons participating in the meeting can hear each other at the same time and each director can participate in all matters before the Board, including, without limitation, the ability to propose, object to, and vote upon a specific action to be taken by the Board of Directors or committee, and participation by a member of the Board of Directors in a meeting pursuant to Section 10 of this Article shall constitute his or her presence in person at such meeting.

**SECTION 11. Voting.** On any question on which the Board of Directors shall vote, the names of those voting and their votes shall be entered in the minutes of the meeting if any member of the Board of Directors so requests at the time.

**SECTION 12. Action Without a Meeting.** Except as otherwise provided by law or by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if prior to such action all members of the Board of Directors or of such committee, as the case may be, consent thereto in writing, and the writing or writings (which may be executed in counterparts) are filed with the minutes of proceedings of the Board of Directors or the committee. Such consent may be written or electronic. If written, the consent must be executed by each director by signing such consent or causing his or her signature to be affixed to such consent by any reasonable means, including a facsimile signature. If electronic, the transmission of the consent must be sent by e-mail and set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by said director.

**SECTION 13. Resignations.** Any director may resign at any time upon written notice of resignation to the Association. Any resignation shall be effective immediately unless a date

certain is specified for it to take effect, in which event it shall be effective upon such date, and acceptance of any resignation shall not be necessary to make it effective, regardless of whether the resignation is tendered subject to such acceptance. If any person elected or appointed as a Director shall cease for any reason to be either the Executive Director of the Association or an officer, partner, principal or employee of the Member, or an officer, partner, principal or employee of an affiliate through which such Member conducts its Credit Portfolio Management activities, with which such person was affiliated at the time of his or her election or appointment, such person shall immediately cease to be a Director and shall be deemed to have resigned pursuant to Section 13 of this Article regardless of whether the Board of Directors shall have received written notice of such resignation and without the necessity for any action by the Board of Directors.

**SECTION 14. Removal of Directors.** Any director may be removed, either with or without cause, at any time upon the recommendation of the Board of Directors, by action of a majority of the Members of the Association either at a meeting of such Members or, whenever permitted by law and the Certificate of Incorporation, without a meeting by their written consents thereto.

**SECTION 15. Filling of Vacancies.**

- a. Except as otherwise provided by law or the Certificate of Incorporation, in the case of any increase in the number of directors of any class, or of any vacancy in the Board of Directors, the additional director or directors may be elected, or, as the case may be, the vacancy or vacancies may be filled, either (a) by the Board of Directors at any meeting by affirmative vote of a majority of the remaining directors though the remaining directors be less than the quorum provided in Section 10 of this Article, or by a sole remaining director or (b) by the requisite vote of the Members of the Association either at an annual meeting of Members or at a special meeting of such Members called for that purpose; provided, however, that any director elected by the Board of Directors shall serve until the next annual meeting of Members of the Association at which time the Members shall elect a director to serve out the remaining balance, if any, of the original term of the new or vacated directorship (unless the Board of Directors shall have reduced the number of directors). Any director chosen pursuant to Section 15 of this Article shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified, or until his or her earlier resignation or removal. At any time a vote of Members of the Association is conducted at an annual or special meeting pursuant to Section 15 of this Article the nomination and election of any director pursuant to such vote shall be conducted in accordance with the procedural requirements of Article VI, Section 4(b), provided, however, that each class of directors for which one or more candidates are nominated pursuant to Section 4(b) of this Article or this Section 15 of this Article shall be voted upon separately from any other class. Nothing in this Section 15(a) shall apply to any director appointed by the Board of Directors in accordance with the procedure set forth in Section 4(c) of this Article.

- b. In the case of a vacancy in the directorship previously held by an Executive Director appointed by the Board of Directors in accordance with the procedure set forth in Section 4(c) of this Article, the number of directors that shall constitute the entire Board of Directors shall be automatically reduced by one, until such time as another director is appointed by the Board of Directors pursuant to the procedure set forth in Section 4(c) of this Article.

The annual report shall be filed with the records of the Association and a copy or abstract thereof entered in the minutes of the proceedings of the annual meeting of the Members.

**SECTION 16. Conflict of Interest and Whistleblower Policy.** The Board of Directors, or a designated audit committee thereof, shall oversee the adoption, implementation of, and compliance with a conflict of interest policy and whistleblower policy adopted by the Association if this function is not otherwise performed by another committee of the Board of Directors comprised solely of independent directors.

**SECTION 17. Purchase, Sale, Mortgage or Lease of Real Property.** No purchase of real property shall be made by the Association, and the Association shall not sell, mortgage, lease, exchange or otherwise dispose of its real property, unless authorized by the vote of a majority of the directors of the Board of Directors or of a majority of a committee authorized by the Board of Directors, provided that if such property constitutes, or would constitute upon the purchase thereof, all or substantially all of the assets of the Association, then the vote of two-thirds of the entire Board of Directors shall be required, or, if there are twenty-one or more directors, the vote of the majority of the entire Board of Directors shall be sufficient. If the Association authorizes a committee to act, the committee shall promptly report any actions taken, and in no event after the next regularly scheduled meeting of the Board of Directors.

**SECTION 18. Disposition of All or Substantially All the Assets of the Association.** If the Association wishes to sell, lease, exchange or otherwise dispose of all or substantially all of its assets the Board of Directors shall adopt a resolution recommending such sale, lease, exchange or other disposition which specifies the terms and conditions of the proposed transaction, including the consideration to be received, together with a statement that the dissolution of the Association is or is not contemplated thereafter. The resolution shall be submitted to a vote at a meeting of the Members entitled to vote thereon, which may be either an annual or a special meeting. Notice of the meeting shall be given to each Member and holder of certificates or bonds of the Association, whether or not entitled to vote. A vote of two-thirds of the Members shall be required to approve the proposed transaction according to the terms of the resolution of the Board of Directors, or to approve the transaction on modified terms or conditions.

**SECTION 19. Related Party Transactions.** The Association shall not enter into any related party transaction, except as approved pursuant to the procedures set out in the Association's Conflict of Interest Policy. A related party transaction is any transaction, agreement or other arrangement in which a related party has a financial interest and in which the Association or any affiliate is a participant. A related party includes any director, officer or key employee of the



Association, any relative of such person, or any entity in which any such person or relative of such person has a 35% or greater ownership interest, as these terms are defined in the Association's Conflict of Interest Policy.

## **ARTICLE VII - COMMITTEES**

**SECTION 1. Constitution and Powers.** The Board of Directors may, by resolution adopted by affirmative vote of a majority of the entire Board of Directors, appoint one or more committees of the Board of Directors consisting of three or more Members of the Board of Directors. Each such committee shall have such powers as the Board of Directors shall properly determine in accordance with the Not-for-Profit Corporation Law of the State of New York, but no such committee shall have authority as to the following matters:

- (1) submission to members of any action with respect to which members' approval is required by law;
- (2) filling vacancies in the Board of Directors or in any committee;
- (3) fixing compensation of the directors for serving on the Board or on any committee;
- (4) amending or repealing the By-Laws or adopting new By-Laws;
- (5) amending or repealing any resolution of the Board which by its terms cannot be amended or repealed; or
- (6) removing directors.

**SECTION 2. Place of Meetings.** Meetings of any committee of the Board of Directors may be held at such place as may be designated from time to time by the Board of Directors or such committee.

**SECTION 3. Meetings; Notice and Waiver of Notice.** Regular meetings of any committee of the Board of Directors shall be held at such times as may be determined by resolution either of the Board of Directors or of such committee and no notice shall be required for any regular meeting. Special meetings of any committee shall be called by the secretary thereof upon request of any member thereof. Notice of any special meeting of any committee shall be in form approved by the Chairman of the Board or, in the absence of the Chairman of the Board, one of the Vice-Chairmen. Notices of special meetings shall be mailed to each member, addressed to him or her at his or her residence or usual place of business, not later than five days before the day on which the meeting is to be held, or shall be sent to him or her at such place by telex, telegraph, cable or any other form of recorded communication or be delivered personally or by telephone not later than three days before such day of meeting. Neither the business to be transacted at, nor the purpose of, any special meeting of any committee need be specified in any notice or written waiver of notice unless so required by the Certificate of Incorporation or these Bylaws. Notices of any such meeting need not be given to any member of any committee, however, if waived by him or her in the same manner as is provided in Section 8 of Article VI, and the provisions of such Section 8 with respect to waiver of notice of meetings of the Board of Directors shall apply to any meeting of any committee as well.

**SECTION 4. Organization of Meetings.** The chairman, if any, of each committee shall preside at all meetings of such committee at which he or she is present. If such chairman shall be absent from any meeting of such committee, or if such committee shall not have a chairman, the most senior officer of the Association present, if he or she is a member of the committee, and, if not, the director present who has served the longest as a director shall preside at such meeting, unless the Board of Directors, or the committee, shall otherwise provide. The Secretary of the Association shall act as secretary at all meetings of any committee and in his or her absence a temporary secretary shall be appointed by the person presiding at the meeting, unless the Board of Directors, or the committee, shall otherwise provide.

**SECTION 5. Quorum and Manner of Acting.** One-half but in no event fewer than two of the members of any committee (except an Executive Committee) then in office shall constitute a quorum for the transaction of business, and the vote of a majority of those present at any meeting at which a quorum is present shall be the act of such committee. A majority but in no event fewer than three of the members of an Executive Committee then in office shall constitute a quorum for the transaction of business, and the vote of a majority of those present at any meeting at which a quorum is present shall be the act of the Executive Committee. In the absence of a quorum, a majority of the members of any committee present may adjourn any meeting, from time to time, until a quorum is present. No notice of any adjourned meeting need be given other than by announcement at the meeting that is being adjourned.

**SECTION 6. Voting.** On any question on which any committee shall vote, the names of those voting and their votes shall be entered in the minutes of the meeting if any member of such committee so requests.

**SECTION 7. Records.** All committees shall keep minutes of their acts and proceedings, which shall be filed with the minutes of the Board of Directors meetings kept by the Association and shall be reported to the Board of Directors at the next regular meeting of the Board of Directors unless sooner submitted at an organization or special meeting of the Board of Directors.

**SECTION 8. Vacancies.** Any vacancy among the appointed members of any committee of the Board of Directors may be filled by affirmative vote of a majority of the entire Board of Directors.

## **ARTICLE VIII - OFFICERS**

**SECTION 1. Elected Officers--Qualifications.** The elected officers of the Association shall be a Chairman of the Board or two Co-Chairmen, one or more Vice-Chairmen, an Executive Director, a Secretary and a Treasurer. The Chairman of the Board or two Co-Chairmen, each Vice-Chairman and the Treasurer shall be elected from among the members of the Board of Directors. Each elected officer other than the Executive Director must be an officer, partner, principal or employee of a Member, or an officer, partner, principal or employee of an affiliate through which a Member conducts its Credit Portfolio Management activities. The Executive Director shall be elected by the Board of Directors and, unless the Board of Directors determines

otherwise at the time it elects an individual as the Executive Director, may be a part-time or full-time employee of the Association. No employee of the Association shall serve as Chairman of the Board or hold any other title with similar responsibilities.

**SECTION 2. Election and Term of Office of Elected Officers.** So far as is practicable, all elected officers of the Association other than the Executive Director shall be elected at the organizational meeting of the Board of Directors in each year. Subject to Sections 3, 4 and 10 of this Article, each elected officer shall hold office until the next organizational meeting of the Board of Directors and until their respective successors shall be elected and qualified. The Executive Director shall hold office for such period as is approved from time to time by the Board of Directors.

**SECTION 3. Removal of Elected Officers.** Any elected officer may be removed at any time, with or without cause, by an affirmative vote of a majority of the entire Board of Directors at any regular meeting of the Board of Directors or at any special meeting called for such purpose.

**SECTION 4. Resignations.** Any officer may resign at any time upon written notice of resignation to the Association. Any resignation shall be effective immediately unless a date certain is specified for it to take effect, in which event it shall be effective upon such date, and acceptance of any resignation shall not be necessary to make it effective, regardless of whether the resignation is tendered subject to such acceptance. If any person elected or appointed as an officer other than the Executive Director shall cease for any reason to be an officer, partner, principal or employee of the Member with which such person was affiliated at the time of his or her election or appointment, such person shall immediately cease to be an elected officer and shall be deemed to have resigned pursuant to this Section 4 of Article VIII regardless of whether the Association shall have received written notice of such resignation and without the necessity for any action by the Board of Directors.

**SECTION 5. The Chairman of the Board.** The Chairman of the Board or the Co-Chairmen shall preside at all meetings of the Members of the Association and at all meetings of the Board of Directors. If there shall be Co-Chairmen, each shall be entitled, severally, to exercise the full powers of the office of the Chairman of the Board. The Chairman of the Board or either Co-Chairmen shall be entitled to appoint such committees as may from time to time be provided for by these Bylaws or by resolution of the Board of Directors or as he or she or they may deem necessary or desirable for the conduct of the business of the Association, subject in each case to the authority of the Board of Directors.

**SECTION 6. Vice-Chairmen.** Each Vice-Chairman shall have authority to exercise all powers delegated to him or her by the Board of Directors or the Chairman of the Board or either Co-Chairman. If the Chairman of the Board or both Co-Chairmen should for any reason be unable to act or if, subject to Section 10 of this Article, the office of the Chairman of the Board should at any time for any reason become vacant, the duties of the Chairman of the Board shall be carried on by the Vice-Chairmen, acting singly or together.

**SECTION 7. The Executive Director.** The Executive Director shall be the chief executive officer of the Association. The Executive Director shall report to the Chairman of the Board and shall be responsible for the management of all activities of the Association in a manner consistent with the policies established by the Board of Directors. The Executive Director shall employ and may terminate the employment of members of the staff necessary to carry on the work of the Association and fix their compensation within the approved budget. The Executive Director shall define the duties of the staff, supervise their performance, establish their titles and delegate those responsibilities of management as shall be in the best interests of the Association. The Executive Director shall approve the expenditure of the monies appropriated by the Board of Directors in accordance with the budget approved by the Board of Directors. The Executive Director shall make periodic reports to the Board of Directors concerning the programs and activities of the Association as directed by the Chairman of the Board.

**SECTION 8. The Secretary.** The Secretary shall perform all the duties usually appertaining to the office of Secretary. He or she shall attend to the giving of all required notices of meetings of the Members, the Board of Directors or any committee thereof. He or she shall keep minutes of all such meetings or, where some other person has kept such minutes, shall maintain custody of such minutes. He or she shall have charge of the corporate seal and shall have authority to attest any and all instruments or writings to which the same may be affixed.

**SECTION 9. The Treasurer.** The Treasurer shall have charge and custody of and have responsibility for all funds and securities of the Association and shall present an annual report of the finances of the Association and such interim reports as the Board of Directors may from time to time require. In the absence of the Secretary, he or she shall have authority to attest any and all instruments or writings to which the corporate seal of the Association may be affixed.

**SECTION 10. Vacancies in Elected Offices.** In the case of the death, resignation or removal of any elected officer, a simple majority of the Board of Directors may appoint a qualified person to serve out the remaining term of such officer.

**SECTION 11. Salaries of Officers.** With the exception of the Executive Director, the officers of the Association shall be paid no salary, except remuneration as determined by the Board of Directors. The Executive Director shall receive a salary, the amount of which shall be determined by the Board of Directors.

## **ARTICLE IX - MISCELLANEOUS**

**SECTION 1. Seal.** The Board of Directors shall provide a suitable seal containing the name of the Association and the year of its incorporation. The seal shall be in the charge of the Secretary.

**SECTION 2. Auditors.** The Board of Directors may each year designate a firm of certified public accountants to act as auditors for the Association for the current fiscal year.



**SECTION 3. Limitation.** No committee or officer shall have any power to incur or contract any liability in excess of specific appropriations made by the Board of Directors.

**SECTION 4. Investments.** The Board of Directors may authorize the investment of surplus funds of the Association in such securities or otherwise as it may deem proper, with full power to sell or exchange such securities, and it may delegate such power as it in its discretion sees fit.

**SECTION 5. Powers of Execution.** All contracts, leases and other instruments shall be signed in the name of the Association by the Chairman of the Board, one of the Vice Chairmen or by any other director or elected or appointed officer authorized to sign such instrument by the Board of Directors, and those documents requiring the seal of the Association shall be attested by the Secretary or, in his or her absence, the Treasurer. All checks for payment of funds of the Association shall be signed by such elective or appointive officer or officers or such other person or persons as the Board of Directors may from time to time designate.

**SECTION 6. Fiscal Year.** The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

**SECTION 7. Indemnification.** Any director or elected or appointed officer of the Association acting with due authority on behalf of the Association shall be indemnified by the Association to the full extent permitted by the Not-for-Profit Corporation Law of the State of New York or other applicable law.

**SECTION 8. Amendments.** The Bylaws may be altered, amended or repealed (i) by a vote of the majority of the Members present in person or by proxy at any annual or special meeting of the Members, provided that, in the case of a special meeting, notice of such proposed alteration, amendment or repeal be included in the notice of meeting or (ii) except as otherwise expressly provided in any By-law adopted by the Members, by the Board of Directors by affirmative vote of a majority of the entire Board of Directors.

**SECTION 8. Loans to Directors and Officers.** No loans, other than through the purchase of bonds, debentures or similar obligations of the type customarily sold in public offerings, or through ordinary deposit of funds in a bank, shall be made by the Association to its directors or officers, or to any other entity in which one or more of its directors or officers are directors or officers or hold a substantial financial interest, except that the Association may make a loan to any Association which is a "charitable Association" under the Not-for-Profit Association Law of the State of New York. A loan made in violation of this paragraph shall be a violation of the duty to the Association of the directors or officers authorizing it or participating in it, but the obligation of the borrower with respect to the loan shall not be affected thereby.