

**BYLAWS FOR
SOCIETY FOR COLOR AND APPEARANCE IN DENTISTRY, INC.
A TEXAS NONPROFIT CORPORATION**

ARTICLE I

These bylaws constitute the code of rules adopted by the Society for Color and Appearance in Dentistry, Inc. (“Corporation”) for the regulation and management of its affairs.

ARTICLE II

Purpose

The purposes for which the Corporation is organized are exclusively charitable within the meaning of the Internal Revenue Service Code, Section 501(c)(3), and the Texas Tax Code, Section 11.18, and consist of the following:

- (1) To promote and foster greater awareness for color and appearance in dentistry;
- (2) To foster communications and research among dental disciplines, industrial researchers, institutional scientific investigators, clinicians, laboratory technicians and others with an interest in color and appearance in dentistry;
- (3) To create and implement educational and training programs on color and appearance for dental professionals and students;
- (4) To promote the health of the general public through advancement in the art and science of color and appearance in dentistry;
- (5) To purchase and own such real estate and other property as may be necessary for the purposes of the Corporation; and
- (6) For the purposes above granted, to secure donations; to receive, manage, take and hold real and personal property by gift, grant, devise or bequest.

ARTICLE III

Board of Directors

(1) Powers

The Board of Directors (“Directors”) of this Corporation is vested with the management of the business and affairs of this Corporation, subject to the Texas Non-Profit Corporation Act, the Certificate of Formation, and these bylaws.

(2) Qualifications

Directorships shall not be denied to any person on the basis of race, creed, sex, religion, or national origin. Directors shall be Active Members as defined by the Certificate of Formation. Employees of the Corporation are ineligible to serve on the Board of Directors.

(3) Number of Directors

The Board of Directors will consist of five (5) Directors as defined by the Certificate of Formation. Upon majority resolution of the Board of Directors, the number of Directors may be increased or

decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director, or decreasing the total number of Directors to less than the number of Directors provided for in the Certificate of Formation. Until the first meeting for electing the Directors occurs, the initial Board of Directors shall consist of the persons listed in the Certificate of Formation as constituting the initial Board.

(4) Term of Directors

Directors shall serve terms as defined in the Certificate of Formation, and may serve consecutive terms without limit.

(5) Election of Directors

Elections for Directors filling expired terms shall be held at the Annual Meeting of the Corporation. Any directorship to be filled by reason of an increase in the number of Directors shall be filled at the next regular meeting of the Board of Directors or at a special meeting called for that purpose. When a re-appointment or replacement is made, the re-appointment or replacement shall be considered effective on the date that the prior term expired (i.e., the new term does not begin on the date of the election). Board members whose terms have expired may continue serving until they are either re-appointed or until their successors are chosen.

(6) Resignation

Any Director may resign at any time by delivering written notice to the Secretary or President of the Corporation. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

(7) Removal

Any Director may be removed without cause, at any time, by a majority of the entire Board of Directors, at a Regular or Special Meeting called for that purpose. Any Director under consideration of removal must first be notified about the consideration by written notice at least five days prior to the meeting at which the vote takes place.

(8) Compensation

Directors shall not receive any salaries or other compensation for their services, but, by resolution of the Board of Directors, may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation, as long as a majority of disinterested Directors approve the reimbursement. The Corporation shall not loan money or property to, or guarantee the obligation of, any Director.

ARTICLE IV
Committees

(1) Executive Committee

The President, Vice President, Treasurer, Secretary, and Officers-at-Large of the Corporation shall constitute the executive committee (“Executive Committee”). The Executive Committee shall have the authority to act on behalf of the Corporation in between Regular Meetings of the Board of Directors. The Board of Directors must validate the actions of the Executive Committee at its next Regular or Special Meeting. Any such action not so validated will not be legally binding on the Corporation. The President shall act as chairperson of the Executive Committee. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and all decisions shall be by majority vote of those present.

(2) Committees

The Board of Directors may from time to time designate and appoint standing or temporary committees by majority vote of the Board of Directors. Such committees shall have and exercise such prescribed authority as is designated by the Board of Directors. The Directors may authorize these committees to exercise any powers, responsibilities, and duties consistent with the Certificate of Formation and these Bylaws. The Board of Directors shall appoint the Chairperson of each committee, and the Executive Committee shall appoint the other committee members. Each standing committee shall have at least one (1) member of the Executive Committee. Employees of the Corporation and any members as defined in the Certificate of Formation may also be appointed to serve as committee members. Committees shall meet upon call of the Board of Directors or the chair of the committee, review the activities of the Corporation in the committee's respective areas, and make recommendations to the Board of Directors for the Board's final approval. The Chair of each committee shall ensure that minutes of the committee meetings are taken and present a copy of the minutes to the Secretary within the two weeks following the meeting. Committee meetings shall be open to all members of the Board of Directors and Executive Committee.

ARTICLE V
Code of Ethics

The corporation and its Directors and Employees will comply with the Corporation's Code of Ethics, attached as Exhibit A.

ARTICLE VI
Board Meetings

(1) Place of Board Meetings

Regular and Special Meetings of the Board of Directors will be held at any place that the President may designate. At the discretion of a majority of the Directors, meetings of the Board of Directors may be held by telephone or any other means which enables all participants to communicate with each other adequately and simultaneously. Directors participating in a meeting by telephone or by any other means of communication are deemed to have attended that meeting.

(2) Regular and Special Meetings

Regular meetings of the Board of Directors shall be held as frequently as deemed necessary by the Board of Directors. An orientation meeting will be held each year for the new members of the Board of Directors.

(3) Notice of Board Meetings

Notice of the date, time, and place of Regular Meetings shall be given to each board member by regular mail, telephone (including voice mail), facsimile, or e-mail no less than seven (7) days notice prior to the meeting. Notice of the date, time, and place of special meetings shall be given to each board member using the same methods, but with no less than three (3) days notice prior to the meeting.

(4) Waiver of Notice

Attendance by a Director at any meeting of the Board of Directors for which the Director did not receive the required notice will constitute a waiver of notice of such meeting unless the Director objects at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called or convened.

(5) Quorum

A majority of the incumbent Directors (not counting vacancies) shall constitute a quorum for the purposes of convening a meeting or conducting business. At Board meetings where a quorum is present, a majority vote of the Directors attending shall constitute an act of the Board unless a greater number is required by the Certificate of Formation or by any provision of these bylaws.

(6) Actions without a Meeting

Any action required or permitted to be taken by the Board of Directors under the Texas Non-Profit Corporation Act, the Certificate of Formation, and these bylaws may be taken without a meeting, if all of the Directors individually and collectively consent in writing, setting forth the action to be taken. Such written consent shall have the same force and effect as a unanimous vote of the Board.

(7) Open Meetings

Meetings are closed to the public, but members, as defined in the Certificate of Formation, may be permitted to attend, at the sole discretion of a majority of the Board of Directors present at each meeting.

(8) Proxy Voting Permitted by Executive Committee

Proxy voting may be permitted by the Executive Committee and shall be governed by the rules promulgated by the Executive Committee as may be amended from time to time.

ARTICLE VII
Officers

(1) Roster of Officers

The Corporation shall have a President, Vice President, Secretary, Treasurer, and three (3) Officers-at-Large, as defined by the Certificate of Formation. One person may hold two or more offices, except those serving as President or Secretary.

(2) Election and Removal of Officers

All officers shall serve terms as defined by the Certificate of Formation. The election shall be conducted by the Board of Directors at the annual meeting of the corporation of the fiscal year and following the election of the new Board of Directors filling expired terms, or as soon as practical thereafter. Officers shall remain in office until their successors have been selected. Officers may serve consecutive terms without limit. The election of officers shall be by majority vote of the Board of Directors attending the meeting.

(3) Vacancies

If a vacancy occurs during the term of office for any elected officer, the Board of Directors shall elect a new officer to fill the remainder of the term as soon as practical, by majority vote of Directors present.

(4) President

- a. The President will supervise and control the affairs of the Corporation and shall exercise such supervisory powers as may be given her by the Board of Directors.
- b. The President will perform all duties incident to such office and such other duties as may be provided in these bylaws or as may be prescribed from time to time by the Board of Directors. The President shall preside at all board meetings and shall exercise parliamentary control in accordance with Roberts Rules of Order.

- c. The President shall serve as an ex-officio member of all standing committees, unless otherwise provided by the Board of Directors or these bylaws.
- d. The President shall, with the advice of the Board of Directors and in accordance with the requirements of these bylaws, set the agenda for each meeting of the Board of Directors.

(5) Vice President

- a. The Vice President shall act in place of the President in the event of the President's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the board.
- b. The Vice President shall serve as the parliamentarian and interpret any ambiguities of the bylaws.

(6) Secretary

- a. The Secretary will perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Certificate of Formation, or by these bylaws.
- b. The Secretary shall attest to and keep the bylaws and other legal records of the Corporation, or copies thereof, at the principal office of the Corporation.
- c. The Secretary shall take or ensure that someone takes minutes of all meetings of the committees and Board of Directors, and shall keep copies of all minutes at the principal office of the Corporation.
- d. The Secretary shall keep a record of the names and addresses of the Directors at the principal office of the Corporation.
- e. The Secretary shall, with the approval of the Board of Directors, set up procedures for any elections held by the Corporation. The Secretary shall keep a record of all votes cast in such elections.
- f. The Secretary shall ensure that all records of the Corporation, minutes of all official meetings, and records of all votes, are made available for inspection by any member of the Board of Directors at the principal office of the Corporation during regular business hours.
- g. The Secretary shall see that all notices are duly given in accordance with these bylaws or as required by law.
- h. The Secretary shall see that all books, reports, statements, certificates, and other documents and records of the Corporation are properly kept and filed.
- i. In the case of the absence or disability of the Secretary, or the Secretary's refusal or neglect to fulfill the duties of Secretary, the Vice President shall perform the functions of the Secretary.

(7) Treasurer

- a. The Treasurer will have charge and custody of all funds of the Corporation, will oversee and supervise the financial business of the Corporation, will render reports and accountings to the Directors as required by the Board of Directors, and will perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Certificate of Formation, or by these bylaws, or which may be assigned from time to time by the Board of Directors.
- b. The Treasurer and the staff of the Corporation shall devise a plan providing for the acceptance and disbursement of all funds of the Corporation which shall be approved by the Board of Directors.
- c. The Treasurer, with the approval of the Board of Directors, shall set up all checking, savings, and investment accounts of the Corporation and deposit all such funds in the name of the Corporation in such accounts.
- d. The Treasurer's signature shall be the authorized signature for all checking, savings, and investment accounts of the Corporation unless the Treasurer, with the approval of the Board of Directors, designates another member of the Board of Directors or employee of the Corporation as the authorized signatory for a particular type of disbursement.

- e. The Treasurer shall prepare a yearly report for the Board of Directors, providing an accounting of all transactions and of the financial conditions of the Corporation.
- f. The Treasurer shall keep all financing records, books, and annual reports of the financial activities of the Corporation at the principal office of the Corporation and make them available at the request of any Director or member of the public during regular business hours for inspection and copying.

(8) Officer-at-Large

- a. The Officer-at-Large represents the interests of the members and conducts projects and accepts duties as assigned by the President and the Board of Directors.
- b. Conducts projects to further the goals of the Corporation or to develop services for the membership, and serves as chair or member of any committee formed to develop these projects.
- c. Assists with conference and meeting planning and production.
- d. Recruits members, promotes industry relationships, and generally promotes the Corporation.

ARTICLE VIII
Members

(1) Eligibility

All members shall be required to complete the membership form prescribed by the Executive Committee. Applications shall be accompanied by payment of all dues applicable to the membership being applied for by the applicant. All membership classifications are determined by a majority affirmative vote of eligible members present and voting at an Annual meeting. Members shall be divided into four (4) classes:

- (a) Active Members. Shall comprise persons invited by the Executive Committee or Associate Members nominated and endorsed by at least three (3) Active Members in good standing. Unless the Executive Committee has invited an individual to become an Active Member, applicants shall satisfy the following requirements:
 - i. Have been an Associate Member in good standing with the Corporation for a minimum of three (3) years;
 - ii. Have attended at least two (2) annual meetings since becoming an Associate Member; and
 - iii. Have made at least one formal presentation at a Corporation meeting or have submitted at least one paper accepted for publication in the Corporation's official journal.

Active Members shall be eligible to hold office, serve on the Board of Directors, and to vote as defined by the Certificate of Incorporation.

- (b) Fellows. A Fellowship may be bestowed on any Active Member by majority vote of the Board of Directors for such term as the Board of Directors may determine, and shall have the same privilege as any Active Membership. Any 5 (five) Active Members in good standing may petition the Board of Directors in writing to consider bestowment of a Fellows Membership. The Board of Directors shall consider such petitions at the first regularly held meeting of the Board of Directors following receipt of the petition. Requirements for a Fellows Membership are as follows:
 - i. Have been an Active Member in good standing with the Corporation for a

- minimum of three (3) years;
- ii. Have attended at least two (2) annual meetings since becoming an Active Member;
- iii. Have contributed meritorious service to the profession, or have demonstrated exemplary service to the Corporation;
- iv. Have made at least one formal presentation at a Corporation meeting or have at least one paper accepted for publication in the Corporation's official journal, since becoming an Active Member.

Any Active Member to whom a Fellows Membership is bestowed, shall remain an Active Member and retain all rights appertaining to an Active Membership except that a Fellow shall only be required to pay the membership dues and assessments stipulated for Fellows.

- (c) Associate Members. An associate member shall be a person ineligible for any other type of membership in the Corporation, who contributes to the advancement of the purposes and objectives of this Corporation, is employed in dental-related education, research or commercial activities associated to color and appearance in dentistry. Associate Members may have other rights as specified by the Executive Committee, subject to the Certificate of Formation and these Bylaws.
- (d) Corporate Members. Corporate memberships are available to organizations associated with color and appearance in dentistry, and support the purposes of the Corporation. The Corporation encourages full involvement and input in the Corporation's activities by its Corporate Members and emphasizes building relationships with business partners. Corporate members receive the same benefits as Associate Members, shall be listed on the corporate member profile page, receive access to on-line services; reduced registration fees at conferences; and eligibility to serve on most committees. Corporate members are also recognized on the Corporation's website. In addition, Corporate Members are eligible to attend and sponsor the Corporation's conferences. Corporate Members may have other rights as specified by the Executive Committee, subject to the Certificate of Formation and these Bylaws.

(2) Rights of Active Members

Each Active Member of the Corporation shall be entitled to one vote on each matter submitted by the Board of Directors to a vote at a Regular or Special Membership meeting, except to the extent that the voting rights are limited or denied by the Certificate of Formation. No member shall be entitled to any dividend or any part of the income of the Corporation or to share in the distribution of the corporate assets upon dissolution. The Board of Directors has the discretion to decide which, if any, matters shall be submitted to the members for a vote, except that the following decisions will always be submitted to the membership for a vote: dissolution of the corporation, merger or consolidation with another corporation, sale of substantially all the corporation's assets, and most amendments to the corporation's Certificate of Formation. Members shall be considered in good standing so long as they meet annual membership requirements including payment of membership dues. Any member that fails to meet its obligations, as determined by the Executive Committee shall lose all membership privileges until such time as the Executive Committee determines the member has satisfied membership requirements.

(3) How the Membership can Legally Act

The Active Membership may act only at a properly called meeting of the membership where a quorum is present. At such a meeting, a vote of a majority of the Active Members in attendance shall be an act of the membership, except that a two-thirds majority of the Active Members in attendance shall be required for the following: dissolution of the corporation, merger or consolidation with another corporation, sale of substantially all the corporation's assets, and most amendments to the corporation's articles of. The attendance of four-fifths (4/5) of the Active Members shall constitute a quorum for the conduct of business at either a Regular or Special Membership Meeting. Other classes of members may attend regular and special meetings solely at the discretion of a majority of the Board of Directors present at said meeting(s).

(4) Regular Membership Meetings

The Membership shall meet at least once a year at the date and time designated by the Board of Directors, for the purpose of transacting any business that the Board of Directors may submit to the members. Regular Membership Meetings shall take place at a location, as determined by the President.

(5) Notice of Regular Membership Meetings

Written notice of the Regular Membership Meeting shall be given not less than 10 calendar days nor more than 60 calendar days before the date that such a meeting is to be. Such written notice shall be delivered by mail, in person, or by facsimile, and shall state the place, day, and time of the meeting. The Board of Directors, in the alternative, may provide notice through other means such as by posting notice in a conspicuous place at the principal office of the Corporation, newsletter, newspaper, church bulletins, or such additional means as the Board of Directors shall deem effective.

(6) Special Membership Meetings

Special Membership Meetings may be called at any time by the President, by a majority of the Board of Directors, or on written request of two-thirds (2/3) of the Active Members.

(7) Notice of Special Meetings

Notice of Special Membership Meetings shall be given in the exact same manner as notice for the Annual Membership Meeting as provided for above, except that the notice shall contain the purpose for which the meeting is called.

(8) Enrollment of Members

The application form, proscribed by the Executive Committee, shall require the name, address, and telephone number of each applicant. There shall be a space for the Secretary to sign certifying that the Secretary believes the applicant to be eligible for membership. The applicant becomes a member upon the Secretary's signature of the application form. The Secretary shall keep an up-to-date membership list.

(9) Membership Dues

Membership dues shall be proscribed by the Executive Committee. The Corporation shall manage memberships on a calendar year basis. Members admitted on or after July 1, shall pay one-half (1/2) the current year's dues for the members respective membership. Members changing membership classification during the current calendar year shall have their membership dues for current membership applied to dues payable for the new membership category.

All dues and assessments shall be payable in U.S. currency. Members failing to pay their dues shall forfeit their membership as provided in these bylaws.

- (10) **Wavier of Dues**
The Board of Directors may exempt from all or part of the current year's dues any member who has suffered severe hardship due to catastrophe, illness, or in active military service
- (11) **Nondiscrimination**
Nothing contained in the Bylaws of the Corporation shall operate against eligibility for membership in the Corporation on the grounds of color, religion, race, sex, age, national origin, political affiliation, or physical disability.
- (12) **Reapplication**
Any applicant for membership whose application is denied may reapply one year following the date on which said rejection becomes final. Each reapplication shall be considered as an initial application.
- (13) **Denial and Review of Membership**
Nothing herein contained shall prevent the Board of Directors from denying or terminating membership in any classification, on its own volition and at its sole discretion, to any person who fails to satisfy the requirements for membership, or who would not, through his or her membership, contribute to the purposes of the Corporation as set forth in the Bylaws or in the opinion of the Board of Directors would adversely affect the reputation of the Corporation. Notwithstanding the foregoing, any application denied membership, or any member whose membership is terminated may appeal that decision to the Board of Directors. The decision by the Board of Directors, regarding any appeal, shall be final with no right of appeal.
- (14) **Assessments**
Upon recommendation of the Board of Directors, and approval by a majority of the Active Members attending a meeting called for such purpose, an assessment may be levied on all Active Members, Fellows Members, Associate Members, and Corporate Members, once in any year in an amount not to exceed the members' annual dues. The resolution of the Board recommending such an assessment shall contain a statement of the purpose for the assessment, the categories of membership to be assessed, and the date the assessment shall be due and payable. The funds so obtained from the assessment may be used only for the purpose for which the assessment is made. Any member failing to pay the assessment within sixty (60) days of the due date shall forfeit membership in the Corporation as provided in these Bylaws.

ARTICLE IX **Rules of Procedure**

The proceedings and business of the Board of Directors shall be governed by Robert's Rules of Parliamentary Procedure unless otherwise provided herein.

ARTICLE X **Executive Director**

The Board of Directors may, upon resolution, appoint an Executive Director to serve at the board's discretion and to carry out whatever tasks the board from time to time resolves. The Executive Director may be paid an annual salary set by the Board of Directors. Subject to such supervisory powers as are vested in the Board of Directors, the Executive Director shall supervise, direct, and control the business of the Corporation and actively manage its business, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these bylaws.

The Executive Director may engage in negotiations involving commitments of the resources of the Corporation or the acceptance of money or resources by the Corporation in furtherance of the purposes of the Corporation as set out in the Certificate of Formation and these bylaws. The Executive Director shall generally be expected to attend all meetings of the Board of Directors and meetings of the general membership. In the event an Executive Director is not appointed by the Board of Directors, the President shall concurrently hold the appointment of Executive Director.

ARTICLE XI **Indemnification**

(1) Insurance

The Corporation will provide indemnification insurance for its Board, officers, members of committees and employees. The Board shall select the amount and limits of such insurance policy.

(2) Indemnification

To the extent permitted by law, any person (and the heirs, executors, and administrators of such person) made or threatened to be made a party to any action, suit, or proceeding by reason of the fact that he is or was a Director, Officer, or member of a committee of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorney's fees and disbursements, incurred by him (or by his heirs, executors or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein.

(3) Limits on Indemnification

Notwithstanding the above, the corporation will indemnify a person only if he acted in good faith and reasonably believed that his conduct was in the corporation's best interests. In the case of a criminal proceeding, the person may be indemnified only if he had no reasonable cause to believe his conduct was unlawful.

ARTICLE XII **Operations**

(1) Execution of Documents

Unless specifically authorized by the Board of Directors or as otherwise required by law, all final contracts, deeds, conveyances, leases, promissory notes, or legal written instruments executed in the name of and on behalf of the Corporation shall be signed and executed by the Executive Director and the President (or such other person designated by the Board of Directors), pursuant to the general authorization of the Board. All conveyances of land by deed shall be signed by the President or two other members of the Executive Committee and must be approved by a resolution of the Board of Directors.

(2) Disbursement of Funds

Financial transactions which have a value of five-thousand dollars (\$5,000) or more shall require majority approval of the Board of Directors or Executive Committee if a majority of the Board of Directors is not immediately available to vote on the transaction. In all other transactions, the Executive Director may dispense with the funds of the Corporation in accordance with the annual budget approved by the Board of Directors and the purposes of the Corporation as set out in the Certificate of Formation and these bylaws. Notwithstanding the above, all checks of more than one-thousand-five-hundred dollars (\$1,500) disbursing funds from any of the Corporation's accounts

shall require the signatures of at least two of the following: the Executive Director, President, Vice President, Secretary, or Treasurer.

(3) Procurement Policy

The Corporation shall abide by its procurement policy, set forth in Exhibit B.

(4) Records

The Corporation will keep correct and complete records of account and will also keep minutes of the proceedings of the Board meetings and Committees. The Corporation will keep at its principal place of business the original or a copy of its bylaws, including amendments to date certified by the Secretary of the Corporation and a membership roster giving the names and addresses of members.

(5) Inspection of Books and Records

All books and records of this Corporation may be inspected by any Director or Active Member upon 30 days notice, as defined herein and in the Certificate of Formation, for any purpose at any reasonable time on written demand.

(6) Loans to Management, Directors, Officers, or Employees

The Corporation will make no loans, whether monetary or a use of the corporation's personal or real property, to any of its Directors, Officers, Executive Director, or employees.

(7) Amendments

Active Members, as defined in the Certificate of Formation, must vote on all amendments to the Certificate of Formation. The bylaws may be amended at any time by a vote of the majority of Directors at a meeting where a quorum is present.

(8) Fiscal Year

The fiscal year for the Corporation will be the calendar year, January 1 to December 31.

(9) Audit

The Corporation shall have annual compilations of its financial statements prepared by March 30 of each year for the previous fiscal year, and no audit shall be required.

(10) Official Language

The official language of the Corporation shall be English, as is commonly used and understood in the United States of America. The Corporation may, at the sole discretion of the Board of Directors, conduct activities and translate all communications to other languages. All minutes and official documents and communiqués of the Corporation shall be in English as defined herein

[Signature page with certification by Secretary follows]

CERTIFICATION

I hereby certify that these bylaws were adopted by the Board of Directors of the Society for Color and Appearance in Dentistry, Inc. by unanimous written consent of the Board of Directors in lieu of meeting on August _____, 2008.

William Browning, Secretary

EXHIBIT 'A'
CODE OF ETHICS

**Code of Ethics
for
Society for Color and Appearance in Dentistry, Inc.**

A. Personal and Professional Integrity. All staff, board members, and volunteers of the Corporation will act with honesty, integrity, and openness in all their dealings as representatives of the organization. The Corporation promotes a working environment that values respect, fairness, and integrity.

B. Mission. The Corporation has a clearly stated mission and purpose, approved by the board of directors, in pursuit of the public good. All of its programs support that mission and all who work for or on behalf of the Corporation understand and are loyal to that mission and purpose. The mission is responsive to the constituency and communities served by the Corporation and of value to the society at large.

C. Governance. The Corporation has an active governing body that is responsible for setting the mission and strategic direction of the organization and oversight of the finances, operations, and policies of the organization. The governing body:

1. Ensures that its board members or trustees have the requisite skills and experience to carry out their duties and that all members understand and fulfill their governance duties acting for the benefit of the Corporation and its public purpose;
2. Has a conflict of interest policy that ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal or other means; and
3. Is responsible for the hiring, firing, and regular review of the performance of any persons acting as agents of the organization, and ensures that if compensated the compensation is reasonable and appropriate;
4. Ensures that agents provide the governing body with timely and comprehensive information so that the governing body can effectively carry out its duties;
5. Ensures that the Corporation conducts all transactions and dealings with integrity and honesty;
6. Ensures that the Corporation promotes working relationships with board members, staff, volunteers, and program beneficiaries that are based on mutual respect, fairness and openness;
7. Ensures that the Corporation is fair and inclusive in its hiring and promotion policies and practices for all board, staff and volunteer positions;
8. Ensures that policies of the Corporation are in writing, clearly articulated and officially adopted;
9. Ensures that the resources of the Corporation are responsibly and prudently managed; and
10. Ensures that the Corporation has the capacity to carry out its programs effectively.

D. Legal Compliance. The Corporation is knowledgeable of and complies with all laws, regulations, and applicable international conventions.

E. Responsible Stewardship. The Corporation manages its funds responsibly and prudently, which includes the following considerations:

1. It spends its annual budget on programs in pursuance of its mission;
2. It spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management;
3. If it retains agents, such agents shall be compensated, reasonably and appropriately;
4. Will not accumulate operating funds excessively;
5. Ensures that all spending practices and policies are fair, reasonable and appropriate to fulfill the mission of the organization; and
6. All financial reports are factually accurate and complete in all material respects.

F. Openness and Disclosure. The Corporation provides comprehensive and timely information to the public, the media, and its membership and is responsive in a timely manner to reasonable requests for information. All information about the organization will fully and honestly reflect the policies and practices of the organization. Basic informational data about the organization, such as the Form 990, will be posted on the organization's website or otherwise available to the public. All solicitation materials accurately represent the organization's policies and practices and will reflect the dignity of program beneficiaries. All financial, organizational, and program reports will be complete and accurate in all material respects.

G. Program Evaluation. The organization regularly reviews program effectiveness and has mechanisms to incorporate lessons learned into future programs. The organization is committed to improving program and organizational effectiveness and develops mechanisms to promote learning from its activities and the field. The organization is responsive to changes in its field of activity and is responsive to the needs of its constituencies.

H. Inclusiveness and Diversity. The Corporation has a policy of promoting inclusiveness and its agents, board and volunteers reflect diversity in order to enrich its programmatic effectiveness. The organization takes meaningful steps to promote inclusiveness in its hiring, retention, promotion, board recruitment, and constituencies served.

I. Fundraising. The Corporation shall be truthful in its solicitation materials. It shall respect the privacy concerns of individual donors and expend funds consistent with donor intent, if so desired by a donor. The Corporation shall disclose important and relevant information to potential donors.

EXHIBIT 'B'
PROCUREMENT POLICY

**Procurement Policy
for
Society for Color and Appearance in Dentistry, Inc.**

- 1. Purpose of procurement standards.** The purpose of these standards is to establish procedures for the Corporation for the procurement of supplies and other expendable property, equipment, real property and other services.
- 2. Code of conduct.** No employee, officer, or agent shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the Corporation shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements except for where the financial interest is not substantial or the gift is an unsolicited item of nominal value. Members of the Corporation's board of directors shall comply with all relevant fiduciary duties, including those governing conflicts of interest, when they vote upon matters related to procurement contracts in which they have a direct or indirect financial or personal interest. Officers, employees, directors, and agents of the Corporation shall be subject to disciplinary actions for violations of these standards.
- 3. Competition.** All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The Corporation shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the Corporation, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the Corporation. Any and all bids or offers may be rejected when it is in the Corporation's interest to do so. In all procurement the Corporation shall avoid practices that are restrictive of competition. These include but are not limited to:

 - (a) Placing unreasonable requirements on firms in order for them to qualify to do business,
 - (b) Requiring unnecessary experience and excessive bonding,
 - (c) Noncompetitive pricing practices between firms or between affiliated companies,
 - (d) Noncompetitive awards to consultants that are on retainer contracts,
 - (e) Organizational conflicts of interest,
 - (f) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement, and
 - (g) Any arbitrary action in the procurement process.

4. Methods of Procurement to be followed:

(a) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the "Simplified Acquisition Threshold" fixed at 41 U.S.C. 403(11) (currently set at \$100,000) and where procurement by sealed bid is not required. If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources to insure that the selection process is competitive in accordance with these policies.

(b) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, and is the lowest in price.

(i) The sealed bid method is the preferred method for procuring construction if the following conditions are present:

(A) A complete, adequate, and realistic specification or purchase description is available;

(B) Two or more responsible bidders are willing and able to compete effectively and for the business; and

(C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

(A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;

(B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;

(C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;

(D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

(c) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids or small purchase procedures. If this method is used, the following requirements apply:

(i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;

(ii) Proposals will be solicited from an adequate number of qualified sources;

(iii) The Corporation shall evaluate responses to its solicitations and select awardees in accordance the procedures outlined in section 5 below ("Procurement Procedures");

(iv) Awards will be made to the responsible firm whose proposal is most advantageous to the Corporation with price and other factors considered; and

(v) The Corporation may use the competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. A procurement process where price is not to be used as a stated selection factor can only be used in procurement of A/E professional services. It cannot be used to purchase other types of although A/E firms are a potential source to perform the proposed effort.

(d) Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

5. Procurement procedures.

(a) All procurement by the Corporation shall comply, at a minimum, with the the requirements of subsections (i), (ii), and (iii) below:

(i) the Corporation avoid purchasing unnecessary items.

(ii) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement.

(iii) Solicitations for goods and services provide for all of the following.

(A) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.

(B) Requirements which must be fulfill and all other factors to be used in evaluating proposal submitted in response to solicitations .

(C) A description, whenever practicable, of technical requirements in terms

of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

(D) When relevant, the specific features of "brand name or equal" descriptions that are to be included in responses submitted to solicitation.

(E) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.

(F) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

(b) The Corporation shall make commercially reasonable attempts to utilize small businesses, minority-owned firms, and women's business enterprises.

(c) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the Corporation but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

(d) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

6. Cost and price analysis. Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action above \$500 in value. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

6. Procurement records - Procurement records and files for purchases in excess of the small purchase threshold as fixed at 41 U.S.C. 403(11) (currently \$25,000) shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

7. Contract administration. A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. The Corporation shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

8. Contract provisions. The Corporation shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

(a) Contracts in excess of the Simplified Acquisition Threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances

in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

(b) All contracts in excess of the Simplified Acquisition Threshold shall contain suitable provisions for termination by the Corporation, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(c) For contracts dealing with construction or facility improvements the Corporation shall comply with all requirements imposed by its funding sources (and the government regulations applicable to those funding sources) with regard to construction bid guarantees, performance bonds, and payment bonds.

(d) All negotiated contracts (except those for less than the Simplified Acquisition Threshold) awarded by the Corporation shall include a provision to the effect that the Corporation shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(e) All contracts, including small purchases, awarded by the Corporation and their contractors shall contain the following procurement provisions as applicable.

(i). Equal Employment Opportunity - All contracts, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(ii). Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c) - All contracts in excess of \$2000 for construction or repair, when funded in whole or part by monies derived from the Federal government (either directly or indirectly) shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal awarding agency.

(iii). Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7) - When required by Federal program legislation, all construction contracts awarded by the recipients and subrecipients of more than \$2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In

addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the Federal awarding agency.

(iv). Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333) - All contracts in excess of \$2000 for construction contracts and in excess of \$2500 for other contracts that involve the employment of mechanics or laborers, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall include a provision for compliance with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5).

(v). Rights to Inventions Made Under a Contract or Agreement - Contracts or agreements for the performance of experimental, developmental, or research work, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(vi). Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended - Contracts and subgrants of amounts in excess of \$100,000, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(vii). Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) - Contracts for an amount above \$100,000, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall include a certification by the contracting parties that they have not and will not use Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. and to further require disclosure of any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.