

45-Day Notice of Proposed Amendments to Appraisal Institute Bylaws

November 22, 2022

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At a meeting at least 45 days after the date of this Notice, the Appraisal Institute Board of Directors will consider proposed amendments to the Appraisal Institute Bylaws. The proposed amendments are expected to have minimal financial impact.

If you have any comments on the proposed changes to the Bylaws, please contact your elected Directors and/or send your comments via email to 45daynotice@appraisalinstitute.org.

Comments received on or before January 4, 2023, will be compiled for distribution to the Board of Directors and the National Nominating Process Project Team (NNPPT).

Nomination and Election of Officers

Background/Rationale

The National Nominating Process Project Team (NNPPT) studied the Bylaws governing the nomination and election of officers to identify potential enhancements to the process. The Project Team recommends four changes:

1. That at least fifty-one percent (51%) of Directors must sign a petition nominating an individual who did not come before the national Nominating Committee (NNC). The current threshold for nominating any individual by petition is at least thirty percent (30%) of Directors. The proposed amendments would establish a higher threshold for petitions nominating individuals who did not come before the NNC, while the threshold for petitions nominating individuals who did come before the NNC would remain at thirty percent (30%).
2. That petitions for additional nominations be filed within thirty (30) days of notice to the Board at its second regular meeting of the NNC nomination. The current requirement is forty-five (45) days.
3. That petitions for additional nominations be filed with the General Counsel and that the General Counsel notify the Board of any such petitions. These responsibilities currently rest with the Chief Executive Officer (CEO). The NNPPT believes that since the individual ultimately nominated and elected as an officer will advise and counsel the CEO, it would be best to have someone other than the CEO handle the petitions.
4. That Past Presidents other than the Immediate Past President may not serve on the NNC. Under the Bylaws, the Immediate Past President serves as Chair of the NNC but does not have a vote. The Immediate Past President serves as a neutral facilitator for the NNC.

The Board can adopt such amendments only if at least 60% of Directors with voting rights vote in favor of the proposed amendments at a quorum meeting of the Board of Directors.

Text

1 Amend the Bylaws, Article X, Part C as follows:

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3 Election, Term and Succession

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5 The Nominating Committee shall submit its nomination(s) for Vice President to the Board of
6 Directors during the second regular Board of Directors meeting each year, unless a vacancy in
7 the office of Vice President occurs during the course of a Vice President's term, in which case the
8 nomination(s) for Vice President shall be submitted as soon as practicable after the vacancy
9 occurs or after notice of the impending vacancy is received. If a vacancy occurs in the office of
10 President or President Elect and such vacancy is not filled by automatic succession, the
11 Nominating Committee shall submit its nomination(s) for such vacant position as soon as
12 practicable after the vacancy occurs or after notice of the impending vacancy is received.

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Additional nomination(s) for Vice President or any other vacant Officer position(s) not filled by automatic succession may be received from the Board of Directors, provided a written petition and rationale is delivered in writing to the ~~Chief Executive Officer~~ **General Counsel** no later than ~~forty-five (45)~~ **thirty (30)** days after the Nominating Committee's submission of its nomination(s) to the Board and:

- 1) The petition is signed by at least thirty percent (30%) of voting Directors if the additional nominee came before the Nominating Committee that year; or**
- 2) The petition is signed by at least fifty-one percent (51%) of voting Directors if the additional nominee did not come before the Nominating Committee that year.**

Such petition(s) may be in electronic form. The ~~Chief Executive Officer~~ **General Counsel** shall promptly notify the Board of Directors of any written petition for additional nomination(s) that is received. At the close of the ~~forty-five (45)~~ **thirty (30)** day petition period, the membership, chapters and regions shall be notified of all the nomination(s) and shall have the opportunity for input prior to the Board's decision.

Provided that there are at least seventy-five (75) days between the second and third regular Board meetings, the annual election of Officers shall occur at the third regularly scheduled Board of Directors meeting each year. If there are not at least seventy-five (75) days between the second and third regular Board meetings, the annual election of the Officers shall occur at the fourth regular Board of Directors meeting or at a special Board of Directors meeting at least seventy-five (75) days after the second regular Board meeting and called with at least thirty (30) days notice.

A special election to fill a vacancy in the office of Vice President, President Elect or President shall occur at the first regular or special Board of Directors meeting that occurs after the period for additional nomination(s) has closed. The elected Officers shall serve for a term of one (1) year in the office to which he or she has been elected, unless filling a vacancy pursuant to Part F of this Article. The term of office shall commence on January 1 following election to office.

The Vice President shall automatically succeed to the office of President Elect, the President Elect shall automatically succeed to the office of President and the President shall automatically succeed to the office of Immediate Past President. The automatic succession will not occur if a motion to the contrary is passed by two-thirds (2/3) of the Directors voting on the issue at a quorum meeting of the Board of Directors.

Amend the Bylaws, Article XI, Part B, Section 3(a) as follows:

Section 3. Nominating Committee

- a) Composition

59 There shall be a Nominating Committee that is composed of the Immediate Past President and
60 one (1) member from each Region elected by the Regional Committee in each Region. The
61 Immediate Past President shall serve as the Chair of the Nominating Committee without a vote. If
62 the Immediate Past President is unavailable to serve his or her term, or any part thereof,
63 as Chair of the Nominating Committee, the most recent Past President willing and able shall
64 serve as Chair of the Nominating Committee without a vote.

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66 The members of the Nominating Committee shall serve a one-year term commencing on January
67 1 following their election. If an elected member of the Nominating Committee is unable to serve,
68 an alternate member elected from the Region shall serve the remainder of the elected member's
69 one (1) year term.

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71 To be eligible to serve as a member elected by a Region on the Nominating Committee, an
72 individual:

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74 1) shall be a Designated Member in good standing;
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76 2) shall have at least one (1) year of service as a Chapter President, two (2) years of service as
77 a regional representative or two (2) years of service on a national committee or on the
78 national Board of Directors;
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80 3) shall not have served on the Nominating Committee or its predecessors in the previous six
81 (6) years;
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83 4) shall not be serving concurrently as a Board member or Third Regional Director unless the
84 member's Region requests an exception that is approved by the Executive Committee;
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86 5) shall not be serving concurrently on any other national Appraisal Institute board or committee;
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88 6) **shall not be a Past President of the Appraisal Institute;** and
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90 7) shall satisfy the other requirements for committee service set forth in these Bylaws.
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