

By-Laws of the NCAE

Mission:

“The mission of the National Council on Ayurvedic Education (NCAE) is to unify the efforts of the schools to advance Ayurvedic education in the United States while supporting and honoring individualized approaches that lead to competency.”

Goals:

- To create a minimum set of learning objectives and skill competencies that will form the basis for curriculum for all schools to follow in order to create practitioner competency.
- To create unified titles for practitioners of Ayurveda.
- To create additional titles for specialties within the Ayurvedic profession.
- To create practitioner competency requirements.
- To create a mechanism that supports schools to meet new requirements.
- To create national competency examinations.
- To facilitate collective advertising that promotes Ayurvedic education of the accredited /approved schools.
- To achieve federal recognition as an accrediting agency.
- To create a code of school ethics for the administration of schools.
- To create a unified approach to pre-requisites into Ayurvedic colleges.
- To address all other educational issues that affect student competency.

Article One: Offices

1.1 The principle offices of the NCAE shall be in the State of California and in the city of Nevada City in the country of the United States of America.

1.2 The corporation may have other offices within or outside of the State of California as the Board of Directors may determine and the needs of the corporation demand.

1.3 The corporation will maintain a registered office and a registered agent at 700 Zion Street, Nevada City, California. The location of the registered office may be changed from time to time at the discretion of the Board of Directors.

Article 2: Corporate Overview

2.01: Membership

There shall be one class of members. The initial members of the corporation are the Founding Members set forth in section 3.01. Thereafter, new members may be added that represent an Ayurvedic Educational Program (AEP) that has been approved / accredited by the NCAE or the Commission on Accreditation once established. The members elect the Directors pursuant to section 3.04. The members are also the policy makers on all standards of education to be adhered to by schools.

2.02: Board of Directors

The Board of Directors shall constitute the administrative body of the corporation.

2.03: Commission on Accreditation

The members who comprise the Commission on Accreditation are elected by the AEP members. The Commission is charged with the responsibility for accrediting / approving Ayurvedic Educational Programs. The Commission shall be established as set forth in section 5.01.

Article 3: Membership

3.01: Classes of Membership: The NCAE shall have one class of membership. Only those schools which have been accredited or approved by the NCAE or the Commission on Accreditation may be members. The Founding Members are:

- California College of Ayurveda
- Florida Academy of Ayurveda
- New World Ayurveda

Founding Members may be added by a majority vote of the existing founding members.

3.02: Representation: Each AEP shall elect an individual to represent them, vote, and speak on their behalf, regarding educational matters that come before the Board of the NCAE as well matters that are voted on by the AEP membership. These representatives will be called upon to participate in Board discussions from time to time but will have no vote. If no member is selected, the person who is the head of the Ayurvedic Educational Program (AEP) shall be deemed the representative.

3.03: Responsibility of the Members (AEP's)

1. To maintain current accreditation / approval through the NCAE, and
2. Uphold fiduciary responsibility to the NCAE, including but not limited to the following:
 - a. Loyalty to act in the best interests of the NCAE only. Members shall disclose actual or potential conflicts of interest.
 - b. Members shall not use their position in the NCAE to secure a pecuniary benefit.
 - c. Participate by voting for the NCAE Board of Directors.
 - d. Uphold all relevant accrediting agency recognition requirements in place at the time. Example: United States Department of Education and Council on Higher Education Accreditation.
 - e. Support and follow the Association of Specialized and Professional Accreditors (ASPA) "Code of Good Practice."
 - f. Uphold the independence of the professional accrediting entity from special interest groups.
 - g. Read publications and relevant documents to keep fully aware of all corporate activities.
 - h. Actively seek to enhance NCAE's public standing.
 - i. Support academic quality as the hallmark of Ayurvedic Education.
 - j. Provide thoughtful and reasoned feedback to the NCAE.
 - k. Pay in a timely manner reasonable membership dues and assessments which have been duly established by the Board of Directors and approved by the member AEP's, and cover reasonable membership meeting expenses.
 - l. Participate on at least one working committee.

3.04: Voting Rights for AEP's

Each member shall be entitled to one vote on each matter submitted to the vote of the members. The membership shall vote on the following matters:

- a. A two-thirds vote of the membership and a two-thirds vote of the Board of Directors then in office is required to amend the Articles of Incorporation.
- b. By majority vote, the members shall elect three (3) Board of Directors: President, Secretary and Treasurer.
- c. If the membership is unable by majority vote to agree on one or more Director positions within 30 days of the ballots being distributed, the Board positions shall be filled by a majority vote of the current Board of Directors.
- d. A majority vote of the members is required to pass any motion pursuant to the standards of education. Once passed, a two-thirds (2/3) vote is required to amend it.

3.05: Termination of Membership

The member AEP's may by a vote of two-thirds of those present at a regular meeting to expel a member for cause after an appropriate hearing. By majority vote, the Board of Directors may suspend or terminate the membership of a member AEP who becomes ineligible for membership for any reason, including default in the payment of dues following a 30 day notice and following an administrative hearing to determine the validity of the basis for termination.

3.06: Resignation of a Member:

Any member AEP may resign by filing a written letter of resignation with the secretary. Resignation shall not relieve the member AEP of paying any dues, assessments or other charges previously accrued or unpaid and relating to accreditation / approval.

3.07: Reinstatement

Upon written request signed by a former member AEP and signed by the Secretary, the Board of Directors may by an affirmative vote of two-thirds (2/3) of the members of the Board, reinstate the former member to membership upon such terms as the Board of Directors deems appropriate.

3.08: Transference of Membership

Membership in this corporation is non-transferable or assignable.

3.09: Meetings of Members

Meetings of the member AEP's may be held on an as needed basis for the purpose of the transaction of any business that may come before the meeting. Due to the nature of the action to be conducted by the membership, meetings may be held over the telephone. However, no meeting shall be considered valid if it is not preceded by no-less than ten (10) days notice, which notice is accompanied by an agenda of the items of business that are to come before the meeting. The executive director and Corporate Officers are entitled to attend and participate in all meetings but are not entitled to vote except as the sole representative of a member school.

3.10: Notice of Meetings

Written or printed notice stating the place, time and hour of any meeting of Members shall be delivered personally or by mail or e-mail to each member entitled to vote at the meeting. Delivery shall be to the members last known mail or email address. Delivery shall occur no less than 10 days or more than 60 days before the meeting date by or at the direction of the Secretary or President. In case of a special meeting where required by statute or by these By-Laws, the purposes for which the meeting shall be called shall be stated in the notice. If mailed, the notice of meeting shall be deemed

to be delivered when it is deposited in the United States mail, postage thereon pre-paid or by email. Notice of such meetings shall also be sent to the Officers of the Corporation.

Matters which may come before regular meetings shall be in accordance with the standard agenda of business items. Matters which may come before a special meeting shall be limited to those specified in the notice of such special meeting. Matters which are not on the regular meeting agenda or contained in a notice of regular meeting or in the notice of special meeting may be considered only upon a vote of two-thirds (2/3) of all the members present, in person, by proxy, or by telephone.

3.11: Actions by Members without a Meeting

Any action required by law to be taken at a meeting of the Members, including telephone meetings, may be taken without a meeting via a consent in writing (email shall be sufficient), setting out the action so taken and signed (or approved by email) by at least two-thirds (2/3) of the Members entitled to vote with respect to the subject matter of the action.

3.12: Quorum

Members holding 51% of the votes which may be cast at any meeting, including telephone conferences shall constitute a quorum. At such a meeting, if a quorum is not present, the meeting shall be adjourned without further notice.

3.13: Proxies

At any meeting of the Members, a Member entitled to vote may vote by proxy executed in writing by the member or his or her authorized attorney-in-fact. No proxy shall be valid after 11 months after the date of execution, unless otherwise provided in the proxy.

Article Four: The Board of Directors

4.01: Composition of the Board of Directors

The Board of Directors of the NCAE shall be composed of at least three (3) individuals. No Director shall serve on the Commission on Accreditation simultaneously. The three individuals will be the President, the Secretary and the Treasurer of the corporation.

4.02: Nomination and Election

- a. Directors shall serve staggered three (3) year terms and may serve for two (2) consecutive terms. Directors who have served for two-three year terms may serve again following a one (1) year absence from the Board.
- b. A nominating committee of the AEP's shall be appointed by the President and approved by the Board and shall develop a slate of candidates from among all nominees to be voted on by the member AEP's.

4.03: Majority Conclusions

A member of the Board failing to abide by the conclusions of a majority vote of the Board shall be notified of such alleged failure. Thereafter and upon no less than 10 days or more than 60 days notice, there shall be a hearing before a special meeting of the Board convened for that purpose. In the event that the said Board Member has been found to have failed in this regard by a majority of the Directors present at the aforementioned hearing, the Directors membership on the Board shall be suspended until the failure is deemed remedied by another majority vote of the Board. Removal of a Director from the Board shall require two-thirds (2/3) vote.

4.04: Board Membership Terms

Board membership terms shall be for three (3) calendar years.

- a. **Beginning a Term:** New Board Members shall be present at the annual meeting preceding the beginning of their term but will not have voting privileges. Terms shall begin immediately after the annual meeting of the Board of Directors (at the conclusion of his/her predecessor's term). If a new Board Member is filling an unexpired term, voting privileges shall begin at the first meeting of the Board the new member attends.
- b. **Ending a Term:** Terms shall end at the annual meeting of the Board of Directors three (3) calendar years following the first annual meeting attended by the Board member. If a New Board member is filling an unexpired term, the New Board member's terms shall expire as scheduled for the Seat.
- c. **Resignation:** A Director may resign from the Board by sending a letter of resignation to the President. Upon the President's receipt of such a letter of resignation, the Board position shall then be automatically and immediately vacant.
- d. **Reappointment:** No Director may serve on the Board for more than two-consecutive terms (including partial terms of greater than 50% of the full-term). Following a one (1) year absence from the Board, the former Director may stand for re-election.

4.05: Limitations

Directors shall not be serving in any official capacity as an officer, governing Board member or employee of any related, associated, or affiliated trade association or membership organization.

4.06: Conflict of Interest:

Members of the Board shall not engage in any activity that could result in a conflict of interest with their duties on the Board.

4.07: Conditions

All Directors must:

- a. Uphold the NCAE by-laws, and policies, procedures and guidelines of the NCAE,
- b. Be willing and able to devote the time necessary to Board activities,
- c. Not engage in activities that constitute a conflict of interest with NCAE matters, and
- d. Agree not to represent one's self as a spokesperson of the NCAE without the written authorization of the President.

4.08: Vacancies

Vacancies on the Board shall be filled as specified in section 4.02(b).

4.09: Board Meetings

Annual meetings of the Board shall be held at such times and at such places as determined by the Board. Special meetings of the Board may be called by or at the request of the President, and also shall be called by the President upon the written request of a majority of the Board.

All Board meetings may be held telephonically or by video as long as all Directors can hear each other. The time and place for any special meeting of the Board shall be fixed by the President. The immediate Past President, Executive Director and Chairperson of the COA shall be ex officio non-voting members of the Board and are encouraged to attend all NCAE Board meetings when possible. Other individuals may be asked to participate in Board meetings from time to time at the request of the majority of the Board or the President.

4.10: Notice Of Meetings

Notice of all regular and special meetings of the Board shall be given in writing and delivered personally, mailed, e-mailed or sent by facsimile to each Director at his/her last known business address at least ten (10) days and not more than sixty (60) days prior to such meeting. The business to be transacted at any regular meeting shall be in accordance with the published agenda for regular and/or annual meetings and any other business shall be specified in the notice. Notice must be given of any intended amendment of the Policies, Standards or these Bylaws. The nature of the business to be transacted or the purpose of any special meeting shall be specified in the notice. Matters which are not on a regular meeting agenda or contained in a notice of a regular meeting or in the notice of a special meeting may be considered only upon a vote of two thirds (2/3) of all of the Directors present, in person, or by telephone.

4.11: Quorum

Except as otherwise provided by law or by the Articles of Incorporation or these Bylaws, a majority of the Directors on the Board shall constitute a quorum for the transaction of business at any meeting, but a majority of those present (though less than such quorum) may adjourn a meeting from time to time without further notice.

4.12: Manner of Action

The action of the majority of the members present at a meeting at which a quorum is present shall be the action of the Board, unless action by a greater number is required by law or by the Articles of Incorporation or these Bylaws.

4.13: Conduct of Meetings

(a) Board of Directors: The President, and in his/her absence, any Director chosen by the Directors present, shall call meetings of the Board to order and shall act as Chairperson of the meeting. The Secretary shall act as secretary of all meetings of the Board, but in the absence of the Secretary, Chairperson may appoint any assistant secretary or any Director or other person present to act as secretary of the meeting.

(b) Meeting Minutes: Minutes of all meetings of the Board shall be transmitted to all members of the Board and COA in a timely manner and in all events not later than thirty (30) days following said meeting. If a website is available for the NCAE, all minutes other than those occurring during closed, executive sessions shall be posted for public viewing.

4.14: Voting

Directors shall each have one vote.

4.15: Compensation

The Board, by affirmative vote of a majority of the AEP's, and irrespective of any personal interest of any of its members, may establish reasonable compensation of all Directors of the NCAE and the COA, or may delegate such authority to an appropriate committee.

4.16: Consent to Action without a Meeting

Any actions required or not prohibited by the Articles of Incorporation or Bylaws, or any provision of law to be taken by the Board at a meeting or by resolution, may be taken without a meeting if a written consent for such action, setting forth the action to be taken, is signed by all of the Board members then in office.

Article Five: Commission on Accreditation

5.01: Composition of the Commission on Accreditation

The Commission on Accreditation ("COA") shall be formed when the NCAE Board determines that the organization has become stable and the membership can support the formation of a second Board. This Board shall be composed of seven (7) individuals ("Commissioners"), elected by the Board of Directors of the NCAE and approved by a majority vote of the member AEP's. The Commissioners shall abide by the conclusions of a majority vote of the Board of the NCAE in any non-accreditation matters. No Commissioner shall serve as a Director simultaneously. It is recommended that COA Commissioners have experience as site team members for NCAE or other accrediting bodies. The composition of the COA shall be:

(a) Four (4) individuals from Member AEP's elected from a group of nominees submitted to the Nominating Committee by members of the ayurvedic academic and professional communities. For the first five years following the formation of the COA, nominees shall be employees or heads of a member AEP. After five years, no current or acting head of a Member AEP, or an institution in which an accredited AEP is housed, may be a member of the COA. Not more than one (1) individual from any AEP or institution in which an AEP is housed shall serve on the COA at any given time.

(b) Two (2) Ayurvedic Practitioners in current Ayurvedic practice or who have five years of practice experience in the field of Ayurveda and are not employed by, or otherwise officially affiliated with an AEP, elected from a group of nominees submitted to the Nominating Committee by members of the Ayurvedic academic and professional communities.

At least one of the two (2) Practitioners in this category must have significant experience as a current or past member of an Ayurvedic Regulatory jurisdictional licensing/disciplinary board (State or National Association or similar). Nominees shall be in active, full-time practice and may not be affiliated with an AEP or institution housing an AEP in any of the following ways: full or part-time employment with the AEP or institution; membership on the institution's governing board; as an officer of the institution's or AEP's alumni association (or equivalent); as an officer of a foundation supporting Ayurvedic education at a single institution or AEP; as a paid preceptor for an AEP; or serving as a consultant to the AEP or institution within the past three years. Providing unpaid preceptor services for an AEP, occasional (guest) lectures or presentations for an AEP, or postgraduate/continuing education services for a AEP shall not disqualify a nominee.

(c) One (1) public member, who are neither a Practitioner of Ayurveda nor are or have been officially associated with any AEP within the past five years, elected from a group of nominees submitted to the Nominating Committee by members of the Ayurvedic academic and professional communities and the public at large.

(d) Prior to the formation of the COA, this responsibility shall be managed by a majority vote of the member AEP's.

5.02: Nomination and Election

Commissioners shall serve staggered three-year terms. Commissioners who have served two (2) consecutive three (3) year terms may stand for re-election following a one (1) year absence from the Commission.

A Nominating Committee of the Board appointed by the President and approved by the Board of Directors shall develop slates of candidates from among all the nominees. These slates shall reflect diversity of academic expertise, professional activities and affiliations, geographical location, and opportunities for all NCAE/COA-accredited AEPs and professional communities.

Whenever possible, there shall be at least two (2) candidates for each position. Election to the COA shall be by a majority vote of the Board. It is recommended that Commissioners have experience as site team members for NCAE or other accrediting bodies.

5.03: Majority Conclusions

A Commissioner allegedly failing to abide by the conclusions of a majority vote of the Board or the COA shall be given notice of such alleged failure at a hearing before a special meeting of the Board called for that purpose. Notice of such meeting shall be not less than ten (10) nor more than thirty (30) days following the notice of such alleged failure. In the event that said Commissioner is found to have failed to abide by the decision of either the Board or the COA by a majority of the Directors at the aforementioned hearing, the Commissioner's membership on the COA may be suspended until the failure has been deemed remedied by a majority of the Board. Removal of a Commissioner from the COA shall require a two-thirds (2/3) majority vote of all of the Directors.

5.04: Terms of COA Commissioners

Commissioner terms shall be for three (3) calendar years, except that initial terms shall be structured to minimize vacancies in a membership category in a given year.

(a) Beginning and Ending of Term: Newly elected Commissioners may be present and participate in all proceedings prior to the annual meeting of the COA during which the Commissioner will become seated, and will become officially seated upon the adjournment of that annual meeting and the conclusion of the term of his or her predecessor. Participation prior to becoming seated will be without voting authority unless the new Commissioner is immediately filling an unexpired term of a former Commissioner. The term will end with the adjournment at the annual meeting three (3) years hence, or at the conclusion of any unexpired term being filled.

(b) Resignation: A Commissioner may resign from the COA by sending a letter of resignation to the President. Upon receipt by the President of such letter of resignation, the position on the COA shall then be automatically and immediately vacant.

(c) Transition: A Commissioner upon leaving the commission for any reason accepts responsibility for assuring a smooth transition of responsibilities over to the remaining commissioners or to a new commissioner appointed by the Board of Directors.

(d) Reappointment: A full term is three (3) years. A Commissioner, regardless of category, may serve on the COA for two (2) consecutive terms, including any partial term that exceeds

fifty percent (50%) of a full term. Thereafter and following a one (1) year absence, such Commissioner may stand for re-election.

(e) Ineligibility: A Commissioner who no longer meets the eligibility status for election to the COA in the category to which he/she was elected, as described in 5.01, shall cease to be a Commissioner at the conclusion of the next regular meeting of the COA, or upon replacement by election should the Board of Directors decide to replace that Commissioner prior to the next regular meeting.

5.05: Limitations

Commissioners shall not serve in any official capacity as an officer, board member or employee of any organization that is directly involved in the regulation of schools after the first five years following their service on the COA Board.

5.06: Conflict Of Interest

Commissioners shall not engage in activities that would result in a conflict of interest with their duties on the COA and shall immediately upon discovery of a possible conflict disclose the same to the President.

The four Commissioners who are affiliated with AEP institutions should excuse themselves from votes regarding the accreditation of the school they are affiliated with. In addition, Commissioners shall be required to excuse themselves from votes regarding the school they graduated from.

5.07: Conditions

All Commissioners must:

- (a) Uphold the NCAE Bylaws, Standards, Policies, procedures and guidelines as adopted;
- (b) Be willing and able to devote the time necessary to NCAE activities;
- (c) Not engage in activities that constitute a conflict of interest to COA or NCAE matters;
- (d) Agree not to represent oneself as a spokesperson of the COA or NCAE without the express authorization of the Chairperson or President, respectively; and
- (e) Understand, accept and be bound by all aspects of confidentiality during and after the period of service.

5.08: Vacancies

Vacancies on the COA shall be filled by action of the NCAE Board according to the specified membership distribution, through the election process stated in 5.02.

5.09: General Powers and Duties

The Commissioners shall be responsible for all matters pertaining to the accreditation / approval of AEPs and the additional accreditation status designation of Ayurvedic institutions or programs not otherwise accredited by a regional or national accrediting body to enable receipt of federal funds.

(a) Authority: The COA is responsible for awarding, deferring, reaffirming, denying, withdrawing, suspending or terminating accreditation / approval. All such decisions are subject to the appeals procedure to be described in the NCAE Standards for Ayurvedic Practitioner Programs and Requirements for Institutional Status.

(b) Duties: The COA shall follow the process and apply the criteria, policies and procedures set forth in the Standards and such other documents as may be adopted by the NCAE Board from time to time, and shall serve as a conduit for receipt of proposals regarding changes in the Standards, and be a recommending body to the Board for changes in the Standards.

(c) Self-Governance: The COA may adopt such other rules and procedures necessary to its orderly function, but such rules and procedures shall not be inconsistent with section 5.09 (a) and (b) above.

(d) Spokesperson: The COA Chairperson, or his/her officially written designee shall be the official spokesperson for the COA.

5.10: Meetings

(a) Regular Meetings: The COA shall hold meetings on a minimum of a bi-annual basis.

(b) Special Meetings: Special meetings may be called by the COA Chairperson and shall also be called by the Chairperson upon the written request of the majority of the Commissioners. The time and place for such meetings shall be fixed by the Chairperson.

5.11: Officers

The COA officers shall be a Chairperson, Vice Chairperson, and a Secretary.

(a) Election and Term of Office: The COA officers shall be elected annually by and from the membership of the COA at the annual meeting of the COA, and no officer shall serve more than three (3) one-year terms in the same office. Terms of office shall be consistent with 5.02 of these Bylaws.

(b) Chairperson, Vice Chairperson, and Secretary: In general, these officers shall perform all duties incident to their respective offices and such other duties as may be prescribed by the COA from time to time.

5.12: COA Executive Committee

The COA Executive Committee shall be a standing committee of the COA. Its membership shall consist of the COA officers. The NCAE Executive Director and Past COA Chairman shall be non-voting members. The Past COA Chairman may serve on the COA Executive Committee for up to one (1) year, at the discretion of the COA Executive Committee. With the COA Chairperson as Chair, the COA Executive Committee shall carry out the accreditation policies and procedures of the Board, all COA business and such other procedures developed by the COA from time to time that are not inconsistent with section 5.09 (a), (b) and (c) supra.

The COA Executive Committee shall report to the COA at each COA regular and special meeting; in addition, all COA Executive Committee meeting minutes shall be transmitted to all Commissioners as soon as possible following a meeting, normally no more than thirty (30) calendar days.

Article Six: Governance of the NCAE

6.01: General Powers

(a) Board of Directors

1. The business and affairs of the NCAE shall be governed by its Board of Directors (Board), except as set forth in (b) below.
2. The Board, by a two-thirds (2/3) majority vote of all Directors, in conjunction with a simple majority vote of the member schools, shall decide revisions to the Articles of Incorporation, the Bylaws and revisions to the Standards of accreditation / approval and may take such action at a regularly scheduled or special meeting called for that purpose.
3. All other matters of administration shall be decided by majority vote of the Directors, including amendments to the Policies. All non-accreditation matters pertaining to education and AEP's are the prerogative of the Board and shall be referred to the Board for proper deliberation.

(b) Commission on Accreditation: All decisions regarding the accreditation / approval of AEPs and the additional accreditation / approval status designation of single purpose Ayurvedic institutions shall be made by the Commission on Accreditation (COA) once it is established. Until such time, the work of the COA shall be performed by the Member AEP's of the NCAE within the following parameters: The AEP's shall be empowered to review the programs of applying member schools and provide program approval / denial. The AEP's shall not utilize the term accreditation when approving member schools.

6.03: Fiscal Year

The fiscal year of the National Council of Ayurvedic Education (NCAE) shall be from April 1 to March 31.

6.04: Autonomy of the COA

Once established, the COA shall have sufficient budget, assigned staff, and administrative autonomy to carry out its accrediting functions. To assure that the Board meets its fiscal fiduciary responsibility, the COA shall annually prepare a budget for the work of the following year and submit that budget to the NCAE Executive Committee for incorporation into the NCAE annual budget, which then shall be submitted to the Board for deliberation and action.

Article VII: Officers and Administrative Staff of the NCAE

7.01: Officers

The Officers of the Corporation shall be President, Secretary and Treasurer.

7.02: Election and Term of Office

The Officers of the Corporation shall be elected every three years by a majority vote of the member AEPs. Each Officer shall hold office until his/her successor shall have been duly elected or until his/her death, resignation or removal.

(a) Consecutive Terms: No Officer shall serve more than two consecutive terms in the same office.

(b) Cessation of Term: When an Officer ceases to be a Director, his/her position as Officer will automatically cease, as well as his/her position on the Executive Committee, except in the case of the non-voting position of NCAE Past President. The Board shall fill the resultant vacancy in accordance with provisions of 7.04 of the NCAE Bylaws. Marc: I don't think this

is a conflict. 4.02 refers to the BOD of the NCAE and this refers to the Officers serving on the Board of the NCAE.

7.03: Removal

Any person empowered by the Board to act on its behalf may be removed by simple majority vote of Board members then in office whenever, in its judgment, the best interests of the Board will be served thereby. However, such removal shall be without prejudice to the contract rights, if any, of the person so removed. Employment or appointment shall not, in and of itself, create contract rights. Any officer may be removed for cause by majority vote of the entire Board and affirmed by a majority vote of the member AEP's.

7.04: Vacancies

A vacancy in any Officer's position because of death, resignation, disqualification, or otherwise, shall be filled by the Board for the unexpired portion of the term.

7.05: President

The President shall be the chief executive officer of the Corporation subject to the authority of the Board. He/she shall have authority subject to such rules as may be prescribed by the Board, to appoint such persons to act on behalf of the Board as he/she shall deem necessary, to prescribe their powers, duties, and delegate authority to them, including members of committees, panels or study groups. Such agents shall hold office at the discretion of the President.

In general, the President shall perform all duties incident to the office of President, including serving as an ex-officio member of all committees with the exception of the NCAE Audit Committee (once established).

The President, or his/her official written designee, shall be the official spokesperson for the Corporation on all matters except those pertaining to the actions of the COA in the accreditation of AEPs.

7.06: Secretary

The Secretary shall:

- (a) Assure the taking of minutes of the meetings of the Board;
- (b) Sees that all notices are duly given in accordance with the provisions of these Bylaws (or as required by law);
- (c) In general perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned to him/her by the President or Board.

7.07: Treasurer

The Treasurer shall:

- (a) Have charge and custody of, and be responsible for, all funds of the NCAE;
- (b) Review financial reports from the Executive Director, President or Accountant;
- (c) Receive and give receipts for monies due and payable to the NCAE from any source whatsoever and deposit all such monies in the name of the NCAE in such bank, trust company, or the depositories as shall be selected by the Board;

- (d) In general perform all duties incident to the office of Treasurer and have such other duties and exercise such authority as from time to time may be delegated or assigned to him/her by the President or Board;
- (e) If required by the Board, give a bond for the faithful discharge of his/her duties and with surety or sureties as the Board shall determine, at the Corporation's expense; and
- (f) Report to the Board the financial position of the organization and provide the Board with summary reports.

7.08: NCAE Finance Committee

The NCAE Finance Committee shall be appointed by the Board of Directors of the NCAE at such time as the Board deems necessary and shall thereafter shall be a standing committee. It shall be made up of a minimum of five (5) members of which three (3) are voting members and two (2) are ex-officio non-voting members. The three (3) voting members shall be the NCAE Treasurer, one (1) member of the COA (once established) and one (1) member of the Board. The two (2) ex-officio non-voting members shall be the NCAE President and the NCAE Executive Director. It shall be responsible for 1) reviewing the annual operating and capital budgets; 2) considering requests for funds from Board Committees and Task Forces and reporting the proposed requests with recommendations to the Executive Committee, and 3) presenting financial reports to the Board.

The NCAE Finance Committee, in addition to all other duties, shall be to:

- (1) Have knowledge and oversight of NCAE funds and resources through monthly reviews of financial summaries prepared by the Treasurer.
- (2) Assure that there is an up-to-date three year financial plan (Updated at the beginning of every new fiscal year).
- (3) Recommend policies and procedures to the Executive Committee and the full Board with respect to financial resources and investment of funds. Review and make recommendations to the Board regarding current revisions of the Standards for AEP Programs and Requirements for Institutional Status and review and make recommendations to the Board regarding revisions of the NCAE Bylaws.
- (4) Review and recommend to the Board revisions as necessary to all NCAE BOD policies related to financial actions, expenditures and investments.
- (5) Insure that an independent annual audit of the financial accounts, records, and resources is performed by a Certified Public Accountant and report the results to and discuss them with the Executive Committee and the full Board at the next regularly scheduled meeting.
- (6) Review annually the committee's responsibilities, functions, and related resources; update any action plan; identify any critical issues; and organize recommendations for improvement.
- (7) Assign certain Finance Committee members or certain Board members the responsibility of maintaining communication with the auditors.

7.09: NCAE Audit Committee

The NCAE Audit Committee shall be appointed by the Board of Directors of the NCAE at such time as the Board deems necessary and shall thereafter be a standing committee. It shall be made up of a minimum of three (3) voting members, one of whom has significant accounting or financial management expertise. It shall be responsible for reviewing the audited financial materials, consider comments from the independent auditor relating to the internal control system, addressing compliance issues and providing reports to the NCAE Board of Directors.

7.10: Other Committees

The Board through the President shall establish and appoint members to any other committees on an ad hoc basis.

Article VIII: Finances of the NCAE

8.01: Dues

Annual dues and assessments may be set by a majority vote of the Board and approved by a majority vote of the AEP's. The Board may determine such penalties, as it deems appropriate for non-payment.

8.02: Contracts

The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the NCAE, and any such authorization may be general or confined to specific instances. In the absence of other designation, all such authorized contracts and instruments shall be executed in the name of the NCAE by the President or one of the other officers. All such instruments must be in conformity with the provisions of NCAE Bylaws and Policies.

8.03: Loans

No indebtedness shall be contracted on behalf of the NCAE and no evidences of such indebtedness shall be issued in its name unless authorized by, or under the authority of, a resolution of the Board. Such authorization may be general or confined to specific instances.

8.04: Checks, Drafts, Etc.

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the NCAE shall be signed by such officer or officers, agent or agents, of the Board and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board.

8.05: Deposits

All funds of the NCAE not otherwise employed shall be deposited to the credit of the NCAE in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board.

8.06: Related Parties

No loans are to be made to related parties.

8.07: Sales of Property, etc.

The Board shall manage all holdings of corporation.

8.08: Voting Securities

Shares of stock or other voting securities standing in the name of the Corporation may be voted by the President or Vice President of the Corporation or any other officer or proxy appointed by the President or Vice President of the Corporation.

8.09: Prohibited Actions

The Corporation shall distribute its income for each tax year at such time and in such manner so that it will not become subject to the tax on undistributed income imposed by Section 4942 of the Code. Furthermore, the Corporation will not:

- (a) engage in any act of self-dealing as defined in Section 4941(d) of the Code;
- (b) retain any excess business holdings as defined in Section 4943(c) of the Code;
- (c) make any investments in a manner that would subject it to tax under Section 4944 of the Code, or
- (d) make any taxable expenditure as defined in Section 4945(d) of the Code.

Article IX: Amendments

These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by an affirmative vote of two-thirds (2/3) of the Board of Directors and a majority of the members of the AEP's at any regular or special meeting provided, however, that the notice requirements of 6.03 a have been met.

Article X: Indemnification

The National Council of Ayurvedic Education Inc., (NCAE) shall indemnify any past or present Director, officer, committee member, member or employee of the Board, Commission on Accreditation (COA) against any judgment, costs or expenses that may be imposed on or reasonably incurred by such person in connection with any claim, action, suit or proceeding made or instituted in which such person may be involved by reason of such person being a Director, officer, member or employee of the Board, COA or the committee formerly known as the Corporation.

This agreement of indemnification by the NCAE shall be binding upon the NCAE, its successors and assigns, and shall inure to the benefit of the heirs, executors and administrators of any such Director, officer, member or employee of the Board or COA that may be entitled as a matter of law.

The indemnification herein above provided for shall in no event be applicable in any case in which any Director, officer, member or employee of the Board or COA shall be finally adjudged in any such action, suit or proceeding to be liable because he/she had acted fraudulently or in bad faith.

Article XI: Dissolution

11.01: Events Causing Dissolution

The Corporation may be dissolved in accordance with the provisions of Sections 8610 et seq. of the California Nonprofit Mutual Benefit Corporation Law.

11.02 Distribution upon Dissolution

Upon dissolution of the Corporation, the Corporation's net assets, after paying or making provisions for the payment of the Corporation's liabilities, if any, shall be distributed to such corporation(s), association(s), fund(s), and /or foundation(s) which engage in activities that are then qualified for exemption from federal income taxes as organizations described in Sections 501(c)(3) or 501(c)(6) of the Code, in such proportions as are determined by said Board of Directors, subject to any order of court as provided by law. If the Board of Directors fails to make such a designation, either irrevocably or otherwise, with respect to assets that become distributable hereunder, such assets

shall be distributed to such other organization(s) as shall best serve the purposes of the Corporation and qualify under Sections 501(c)(3) and 501(c)(6) of the Code.

Article XII: Miscellaneous

12.01: Corporate Seal

The Directors of the Corporation may upon a majority vote chose to create a corporate seal.

12.02: Headings

The headings in these Bylaws are intended for convenience only and should not affect the meaning or interpretation thereof.

12.03: Interpretation

In interpreting these Bylaws, whenever the context so requires, a) the singular shall include the plural and the plural shall include the singular, and b) any gender shall include all genders.