

BYLAWS OF THE  
NEW ENGLAND MEDICAL EQUIPMENT DEALERS, INC.  
A Nonprofit Corporation

ARTICLE I.

ORGANIZATION  
Definition of Bylaws

1.01 These Bylaws constitute the code of rules adopted by the New England Medical Equipment Dealers, Inc., ("Corporation") for the regulation and management of its affairs.

Purposes and Powers

1.02 This Corporation will have the purposes or powers as may be stated in its Articles of Organization, these bylaws, and such powers as are now or may be granted hereafter by law.

The purposes for which the Corporation is organized include establishing the best interests of the membership through an interchange of ideas by seminars, conventions, regular meetings of the members and an active liaison with government, both on a state and federal level, concerning medical equipment, products and services or supplies that may be utilized in the care and treatment of patients and for other purposes.

ARTICLE II.

OFFICES AND AGENCY  
Principal and Branch Offices

2.01 The principal place of business of this Corporation will be located at 40 Robbie Road, Avon, Massachusetts, 02322. In addition, the Corporation may maintain branch chapters or other offices either within or without the Commonwealth of Massachusetts as its business requires or as the Board of Directors may determine.

Location of Registered Office

2.02 The location of the initial registered office of this Corporation is in the Commonwealth of Massachusetts. Such office will be continuously maintained in the Commonwealth of Massachusetts for the duration of this Corporation. The Board of Directors may, from time to time, change the address of its registered office by duly adopted resolution and filing any appropriate statement with the Commonwealth of Massachusetts.

ARTICLE III.

MEMBERSHIP

Definition of Membership

3.01 The members of this Corporation are those sole proprietorships, firms, partnerships, corporations, or associations involved with the commercial sale, rental, distribution or manufacture of any type of medical equipment, product, service or supplies having membership rights in accordance with the provisions of the Bylaws.

Classes of Members

3.02 This Corporation will have three classes of members which are designated as:

- A. Regular: A regular member shall be a sole proprietorship, partnership, firm or corporation currently engaged in the retail/wholesale, rental or distribution of any type of medical equipment, product, services or supplies that may be utilized in the care and treatment of patients. A regular member shall have full voting rights. One vote is authorized per member.
- B. Associate: An associate member shall be a person, partnership, firm or corporation not otherwise qualified for regular membership and who shall be involved in the manufacture, whole-sale only or otherwise engaged in a business that has a relationship in the support or enhancement of a regular member's health care business. An associate member shall have no voting rights and cannot hold an elective office, but may be appointed at the discretion of the Board of Directors to serve on committees.

- C. Honorary: An honorary member shall be one who has faithfully served the Corporation in any category of membership and who is awarded such membership by the Board of Directors. Honorary members shall not have a vote or the privilege of holding elective office, but may be appointed at the discretion of the Board of Directors to serve on committees.

The directors may designate certain persons or groups of persons as sponsors, benefactors, contributors, advisors or friends of the corporation or such other title as they deem appropriate. Such persons shall serve in an honorary capacity and, except as the directors shall otherwise designate, shall in such capacity have no right to notice of or to vote at any meeting, shall not be considered for purposes of establishing a quorum, and shall have no other rights or responsibilities.

Certificates of membership will be issued by the Corporation. The Board of Directors may authorize such membership certificates as it sees fit. If the Board of Directors decides to issue membership certificates to a particular class of members then all members of that class shall receive membership certificates. The certificates shall be in such form and contain such wording as the Board of Directors decide.

Membership certificates are valid only to those people to whom they are addressed and are nontransferable.

Upon the dissolution of the Connecticut Association of Medical Equipment Dealers ("CAMED") and the Massachusetts Association of Durable Medical Equipment Companies, Inc. ("MADMEC"), the members of these two organizations will automatically be instated as members of NEMED, Inc. for the duration of the calendar year of 1988, as evidenced by the issuance of new membership certificates by the Corporation. Membership will continue upon payment of dues for the calendar year of 1989 and thereafter.

#### Election of Members

3.03 Persons, firms partnerships, corporations or associations as qualified heretofore may be elected a member by the Board of Directors upon filing a written application with the Membership Chairman or directly with the Board of Directors.



#### Members' Dues

3.04 The annual dues payable to the Corporation by Members will be in such amount(s) as may be determined from time to time by resolution of the Board of Directors. The first annual dues will be payable and submitted in full with the application for membership. Future annual dues will be payable in advance on the first day of each calendar year. Annual dues of new Members will be prorated from the first day of the calendar quarter in which such Member is entering.

#### Assessments

3.05 Memberships may be subject to assessment of special dues as determined by the Board of Directors.

#### Place of Members' Meetings

3.06 Meetings of Members will be held at such places that the Board of Directors designate.

#### Annual Members' Meetings

3.07 The annual meeting of the Members will be held on the \_\_\_\_\_ of \_\_\_\_\_, at a place that the Board of Directors designate.

#### Special Members' Meetings

3.08 Special meetings of the Members may be called by either of the following:

1. The majority of the Board of Directors
2. The President
3. Members having at least fifteen percent (15%) of the votes which all members are entitled to cast at such meeting.
4. The majority vote of the Executive Committee, as defined in paragraph 6.02.
5. The Clerk

#### Notice of Members' Meetings

3.09 Written notice stating the date, place and time of the meeting shall be delivered not less than thirty (30) nor more than ninety (90) days before the meeting. The notice shall be by first class mail or telegram and directed to each

regular member of the Corporation. In the case of a special members meeting, the notice shall be mailed at least ten (10) days previous to the meeting or given to the members by telephone or telegram in time for him/her to attend. The notice shall state the purpose(s) for which the special meeting is called. If mailed, the notice will be deemed to be delivered on the date it is deposited in the U.S. or other mail.

#### Voting Rights of Members

3.10 Each Member of the regular class of membership will be entitled to one vote on each matter submitted to a vote of Members and the Members of any other class of membership will be entitled to no voting rights.

#### Members' Proxy Voting

3.11 A Member may vote either in person or by proxy executed in writing by the Member. No proxy will be recognized as valid after ninety (90) days from the date of its execution unless expressly provided otherwise in the proxy.

#### Quorum of Members

3.12 A quorum of members shall constitute one-tenth (1/10) of the votes entitled to be cast at any meeting of the members. A regular member may be present in person or by proxy for purposes of deciding if a quorum exists. A majority of the members present or represented by proxy is necessary for the adoption of any matter before the membership for a vote. A greater proportion may be required by law, the Articles of Incorporation or the Bylaws.

#### Termination of Membership

3.13 Membership will terminate in this Corporation on either of the following events:

1. Receipt by the Board of Directors of the written resignation of a member, executed by such Member.
2. The failure of a Member to pay dues, fines, or assessments within ninety (90) days of their due date. Notice will be sent after sixty (60) days by regular mail and automatic termination will occur thirty (30) days thereafter if still unpaid.
3. For cause, after notice, trial, and conviction.
4. The death of an individual proprietor, dissolution of a corporate member or the merger or

acquisition of a member by or with another member.

Before a membership terminates for any reason other than the resignation or death of the Member, the Member will be given an opportunity to be heard before the Board of Directors, unless he is absent from the country in which the Corporation is located. A Member terminating membership status for reasons other than death may be completely and automatically reinstated if correcting the cause of termination before formal adoption by the Board of Directors of a resolution acknowledging such termination. After formal termination a former member must follow application procedures for new members and pay any unpaid dues before being accepted for membership.

#### ARTICLE IV.

##### DIRECTORS

##### Definition of Board of Directors

4.01 The Board of Directors is that group of persons vested with the management of the business and affairs of this Corporation subject to the law, the Articles of Incorporation, and these bylaws. Until the organization of the Corporation is completed, the Incorporators may exercise all powers of the Directors. The Directors are installed by the membership at the annual meeting. Only persons employed by a regular member of the Corporation are eligible for membership on the Board of Directors. The Board of Directors shall have the power to delegate any of its powers to an Executive Committee and shall have the power to appoint such other committees of its members as it deems desirable to further the purposes of the corporation.

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

Directors shall be entitled to receive for their services such amount, if any, as the directors may from time to time determine, which may include expenses of attendance at meetings. Directors shall not be precluded from serving the corporation in any other capacity and receiving compensation for any such services.

The officers and director positions are proposed by the nominating committee. Additional nominees may be

proposed through a petition process of obtaining signatures of at least 5% of the association's voting membership within 30 days of receipt of the nomination announcement.

4.02 The Board of Directors will consist of the officers and the other directors.

#### Number of Directors

4.03 The number of Directors of this Corporation shall be twenty one (21) including the officers of the Corporation. The number of Directors may be changed by amendment to these bylaws.

#### Terms of Directors

4.04 (1) The Directors shall be installed at the annual meeting by the membership to serve for three (3) years, an election to be held each year for one third of the Directors of the Board. If nominated by petition, the Directors receiving the largest number of the vote shall be elected. A Director may serve more than one term if otherwise properly elected. The Term shall begin at the end of the annual meeting and conclude at the end of the annual meeting three years later.

(2) The terms of the initial Board of Directors shall be as follows: one-third to serve until the annual meeting in 1989; one-third to serve until the annual meeting in 1990; one-third to serve until the annual meeting in 1991.

(3) A Director may be removed from office by the membership when such action will serve the best interest of this Corporation. Such removal may only come after an investigation and an opportunity for the Director to confront his accusers.

(4) Any Director who misses two unexcused meetings per year may be removed as a Director as determined by the Chairman. For purposes of this section, the word "year" is defined as that period which begins at the end of an annual meeting and concludes at the end of the succeeding annual meeting.

4.05 Resignation of Directors will become effective upon acceptance by the President or a majority of the Board of Directors and vacancies may be deemed to exist as of such effective date. Any vacancy occurring in the Board of Directors may be filled by appointment by the President



subject to approval of the Board of Directors and the appointee will serve for the unexpired term of the predecessor in office.

#### Time and Place of Directors' Meetings

4.06 Meetings of the Board of Directors, regular or special, will be held at a time and place designated by the president or by the written request of a majority of the Board, or the Executive Committee. Meetings may be held outside as well as inside the Commonwealth of Massachusetts.

#### Quorum of Directors

4.07 A majority of the whole Board of Directors will constitute a quorum. The act of a majority of the Directors present at a meeting at which a quorum is present will be the act of the Board of Directors unless a greater number is required under the provisions of the Articles of Organization of this Corporation, or any provision of these Bylaws.

#### Notice of Meetings

4.08 Regular meetings of the Directors shall be held without notice if the time and place of such meetings are fixed by the Board. Written notice of special meetings shall be sent by mail to each Director at his/her last known place of business or residence at least ten (10) days previous to the meeting, or given to him/her personally, by telephone, or telegram in time for him/her to attend. Notice of a Board meeting may be waived when a Board member attends a meeting without objection and absent members sign a written consent thereto. Any Director may waive notice of any meeting in writing either before or after the meeting and such waiver shall be filed with the records of the meeting. It shall be the duty of each member to notify the Corporation of his post office address, and failure to do so shall constitute a waiver by such member of the right to receive any notices during the period that such failure continues. A notice or waiver of notice need not specify the purpose of any special meeting of the directors.

#### Action with Meeting

4.09 Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and with the same force and effect as if taken by vote of the directors, if all the Directors consent to the action in writing and the written consents are filed with the records of the meetings of Directors.



Proxies may be written and signed by the director giving such proxy within thirty (30) days of the time it is voted. Directors may vote by proxy on specific items only and general proxies authorizing someone to vote on issues which may arise on behalf of the director giving the proxy will not be valid.

4.10 A company may have more than one representative on the Board of Directors, provided that, no company may have more than one vote on the Board of Directors.

4.11 Members of the Board of Directors or of any committee designated thereby may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

#### Ex Officio Council

4.12 An Ex Officio Council, composed of former members of the Board of Directors is created. The number of Council members shall be determined by the Board. The Council shall perform such duties as assigned by the Board and will be chaired by the immediate past President of the Board of the Corporation. Members shall serve a term concurrent with the term of the President, may be invited to attend Board meetings, but shall not have voting authority.

### ARTICLE V.

#### OFFICERS

##### Executive Officers

5.01 The officers of the Corporation shall be the President, Clerk, Treasurer and Vice President and such other officers as the Board of Directors considers necessary for the proper management of the Corporation. All officers shall be members of the Board of Directors. The officers shall be elected annually by the membership at the Annual meeting. Officers shall hold office until the next Annual meeting. Any vacancy among the officers may be filled by a vote of a majority of the Board. The new officer shall serve until the next Annual meeting.

Clerk

5.04 The Clerk shall be a resident of the Commonwealth of Massachusetts and shall be sworn. The Clerk shall keep the minutes of the meetings of members, of the Board of Directors and of the Executive Committee, he shall see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law; he shall be the custodian of the records and of the corporate seal or seals of the Corporation; he shall see that the corporate seal is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized, and when so affixed may attest the same; he may sign the membership cards of the Corporation and in general, he shall perform all duties ordinarily incident to the office of a Secretary of a Corporation, and such other duties as, from time to time, may be assigned to him by the Board of Directors or by the Chairman. The Clerk may delegate any of his duties to the President.

Treasurer

5.05 The Treasurer, subject to the control of the Board of Directors, shall have the custody of all funds, books of accounts, documents and securities of the Corporation. He/she shall make all collections and disbursements and endorse for collection on behalf of the Corporation checks and other obligations, and shall deposit the same to the credit of the Corporation in such bank or banks or other depositories as the Board of Directors may designate. He/she may, unless otherwise ordered by the Board of Directors, sign and execute all checks, contracts and other obligations in the name of the Corporation, and shall, subject to the control of the Board of Directors have general charge of the financial operations of the Corporation, including the power to execute the purchase and sale of securities.

The Treasurer shall enter or cause to be entered regularly in books belonging to the Corporation a full and accurate account of all moneys received and paid by the Corporation, and shall keep such books open for examination at reasonable times by any Director or member of the Corporation.

The Treasurer shall perform such other acts as shall be incident to the position of Treasurer as prescribed by law or these bylaws or as he/she shall be directed to perform by the Board of Directors.

Any Assistant Treasurer shall have such powers and shall perform such duties as may be prescribed by law or these bylaws, or as may from time to time be designated by the Board of Directors.

#### President

5.06 The President shall be the chief executive officer of the Corporation. He shall, subject to the control of the Board of Directors, have general charge of the property of the Corporation and of all operations thereof. He/she may, unless otherwise ordered by the Board of Directors, sign and execute all checks, contracts, and other obligations in the name of the Corporation. He/she shall, when present, preside at all meetings of the Board of Directors and of the members. He shall appoint inspectors of election. He/she shall do and perform such other duties as may be prescribed by the bylaws or as may from time to time be assigned to him/her by the Board of Directors.

#### Vice President

5.07 In the case of the death or absence of the President, or of his inability from any cause to act, the Vice President shall perform the duties of his office.

#### Removal of Officers

5.08 Any Officer elected or appointed to office may be removed by the persons authorized under these Bylaws to elect or appoint such Officer whenever in their judgment the best interests of this Corporation will be served. However, such removal will be without prejudice to any contract rights of the Officer so removed.

#### 5.09 Personal Liability

The members, directors and officers of the Corporation shall not be personally liable for any debt, liability or obligation of the Corporation. All persons, corporations or other entities extending credit to, contracting with, or having any claim against, the Corporation, may look only to the funds and property of the Corporation for the payment of any such contract or claim, or for the payment of any debt,



damages, judgment or decree, or of any money that may otherwise become due or payable to them from the corporation.

## ARTICLE VI.

### COMMITTEES Standing Committees

6.01 The President shall appoint, with the advice and consent of the Board of Directors, the chairmen of the following committees:

1. Reimbursement Committee
2. Legislative and Regulatory Committee
3. Membership Committee
4. Annual Meeting and Legislative Conference Committee
5. Nominating Committee
6. Bylaws Committee
7. Ethics Committee
8. Members Services Committee

The committee chairmen shall serve a term concurrent with that of the President. The Committee chairmen shall be a member of the Board and conduct the affairs of their committee under the supervision of the President and Board of Directors. Each chairman will prepare a report of the progress of the Committee for presentation at each Board meeting. Committee members may be appointed by the respective committee chairman.

### Executive Committee

6.02 There shall be an Executive Committee chaired by the President and composed of the Vice President, Clerk, Treasurer and Immediate Past President of the Corporation.

The Executive Committee shall be vested with the powers to conduct the current and ordinary affairs of the Corporation, including unless otherwise determined by the Board of Directors, the power to authorize purchases, sales, contracts, conveyances, transfers and the execution of negotiable instruments; to authorize the Treasurer of the Corporation to accept and hold securities owned by the Corporation in the name of a nominee, or in street form as he/she may determine; to fix and to alter the powers, duties and compensation of the officers and agents of the Corporation; to accept resignations and fill vacancies other than in the Board of Directors; and to fix the date, place and hour of the members' annual meeting. A majority of the Executive

Committee shall constitute a quorum for the transaction of business. The Executive Committee may make rules not inconsistent herewith for the holding and conduct of its meetings. The Executive Committee shall report its action to the Board of Directors. The Board of Directors shall have power to rescind any vote or resolution of the Executive Committee, but no such rescission shall have retroactive effect.

## ARTICLE VII.

### OPERATIONS Fiscal Year

7.01 The fiscal year of this Corporation shall begin on \_\_\_\_\_ and end on \_\_\_\_\_, except as from time to time otherwise provided by the Board of Directors.

### Books and Records

7.02 This Corporation will keep correct and complete books and records of accounts based on the Corporation's fiscal year, and will keep minutes of the proceedings of its Membership, Board of Directors, and Executive Committees. The Corporation will keep at its National office a membership register giving the names, addresses, and showing classes and other details of the membership of each, and the original or a copy of its Bylaws including amendments to date certified by the Secretary of the Corporation.

### Inspection of Books and Records

7.03 All books and records of this Corporation may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time on written demand under oath stating such purpose.

7.04 A majority of the Board of Directors shall annually recommend an accounting firm who will audit the Corporation's books.

### Nonprofit Operations-Compensation

7.05 This Corporation will not have or issue shares of stock. No dividend will be paid, and no part of the income of this Corporation will be distributed to its Members, Directors, or Officers. However, the Corporation may pay compensation in a reasonable amount to Members, Officers, or Directors for services rendered.

Loans to Management

7.06 This Corporation will make no loans to any of its Directors or Officers.

7.07 (1) No member or Incorporator of this Corporation may have any vested right, interest or privilege of, in, or to the assets, functions, affairs, or franchises of the Corporation, or any right, interest, or privilege which may be transferable or inheritable, or which will continue if his membership ceases, or while he is not in good standing.

(2) Expelled Members shall have no property rights to assets of the Corporation.

(3) On dissolution, assets of this Corporation remaining after the payment or discharge of all liabilities of the Corporation will be returned to the Members on record of the date of the dissolution in the same ratio that the dues were last paid.

(4) The Directors of this Corporation may authorize secured transactions or other dispositions of corporate assets without approval by the Members.

ARTICLE VIII.

AMENDMENTS

Amendment of Articles of Organization

8.01 The power to alter, amend, or repeal the Articles of Organization of this Corporation is vested in the Members. Such action must be taken pursuant to a resolution approved by a majority of the Directors and by two-thirds of the Members present at a general membership meeting. Any amendment of the Articles of Organization shall be submitted to the State Secretary.

Bylaws

8.02 The power to make, alter, amend or repeal these Bylaws, or to adopt new Bylaws, insofar as is allowed by law, is vested in both the regular members and the Board of Directors and shall be authorized by the Corporation's Articles of Organization.

Adoption of Bylaws

8.03 Adopted by the Board by resolution and unanimous vote on \_\_\_\_\_, at \_\_\_\_\_, \_\_\_\_\_.



ARTICLE IX.

INDEMNIFICATION

9.01 Every director, officer, employee, or other agents of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon him in connection with any proceeding to which he may be made a party, or in which he may become involved, by reason of his being or having been a director, officer, or employee of the corporation, or any settlement thereof, whether or not he is a director, officer, employee, or other agent at the time such expenses are incurred, except in such cases wherein the director, officer, employee, or other agent, is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer, or employee may be entitled, including those rights specified in the Corporation's Articles of Organization.

ARTICLE X  
WAIVER OF NOTICE

10.01 Whenever any notice is required to be given under the provisions of the Articles of Incorporation or bylaws of the Corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI  
ANNUAL FINANCIAL REPORT

11.01 A copy of the annual financial report of the Corporation required to be submitted to the Treasurer to the annual meeting of members shall be forwarded to any member who requests a copy and shall be made available to all persons who are interested in examining said report.

ARTICLE XII  
SEAL

The Seal of the corporation shall be a circular dye bearing its name, and the word "Massachusetts". The Board of Directors may change the form of the seal and the inscription thereon at any time.