



Theory of Constraints International Certification Organization

Constitution and Bylaws

Revision 16
8/18/2022



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CONSTITUTION AND BYLAWS FOR THEORY OF CONSTRAINTS INTERNATIONAL CERTIFICATION ORGANIZATION (“TOCICO”)

Article I - Name and Principal Office

Section 1 - Name

The name of this not-for-profit Corporation shall be the **Theory of Constraints International Certification Organization** (hereafter referred to as both the “Corporation” and “TOCICO.”)

Section 2 – Principal Office

The Corporation may have such other offices, either within or without the State of Washington, as the Board of Directors (hereafter referred to as the “Board”) may designate or as the business of the Corporation may require from time to time.

Article II - Purposes, Objectives, Definition

Section 1 – Purpose

The Corporation has been founded as an autonomous, non-profit, tax-exempt association dedicated to advancing the state-of-the-art in effective and appropriate application of the practice and science of advancing the body of knowledge that is the Theory of Constraints (TOC). The principal purpose of the Corporation shall be as set forth in its Articles of Incorporation as filed with the Secretary of State of the State of Washington.

Specific Purposes. Consistent with the TOCICO Articles of Incorporation and these Bylaws, the purposes of the Corporation shall include the following:

- a. To provide industry (organizations, education providers and individuals) with an internationally recognized standard to assess the level of expertise of Theory of Constraints professionals (academics, practitioners, implementers) - hereafter referred to as “Certification of TOC Expertise”.
- b. To foster professionalism in the communities that have interest in the Theory of Constraints subject matter.
- c. To contribute to the quality and scope of Theory of Constraints knowledge and its dissemination.
- d. To provide ongoing TOC education within and outside of practitioners, academics and consultants
- e. To stimulate appropriate global application of Theory of Constraints knowledge for the benefit of industry, academia, government, the not-for-profit sector, and the general public.
- f. To provide a recognized forum for the free exchange of ideas, applications, and solutions of issues among those interested and involved in the Theory of Constraints.
- g. To identify and promote the fundamentals of Theory of Constraints and advance the body of knowledge in collaboration with other recognized disciplines such as operations and supply chain logistics, management, project management, finance and measurement, marketing and sales, technology, Strategy and Tactics and any ongoing process improvement efforts.
- h. To collaborate with universities, other educational institutions, and corporate entities to encourage appropriate education and career development for all levels of Theory of Constraints activities.



- i. To provide a guiding influence in academic and industrial research in the field of Theory of Constraints.
- j. To seek and foster international cooperation and contacts with various industry associations and government agencies, which relate to the application and development of the Theory of Constraints body of knowledge. In collaboration with these recognized disciplines such as in operations, management, marketing and sales, technology, project management, Finance and Measures, Supply Chain, Strategy and Tactics and any ongoing process improvement efforts, to collaborate in matters of common interest and benefit.
- k. To identify, develop, foster, and maintain professional practice, credentialing, and accreditation standards and principles.

Section 2 – Limitations

1. General Limitations. The purposes and activities of the Corporation shall be subject to limitations set forth in these Bylaws and conducted in compliance with Section 501(c)(3) of the U.S. Internal Revenue Code and Washington State RCW 24.03A.125 Bylaws requirements. In addition, the purposes and activities of the Corporation shall be restricted as follows:
 - a. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, the directors or officers, or other private persons, except that the Corporation shall be authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of, and consistent with, the purposes set forth in these Bylaws and applicable TOCICO policies.
 - b. The Corporation shall not engage in any activities relating to election campaigns for candidates seeking political office, nor shall any agent, representative, officer, director, or employee engage in such activities on behalf of the Corporation.
2. TOCICO Board of Directors Authority. The TOCICO Board of Directors shall have the authority, responsibility, and accountability to develop, establish, approve, and enforce policies and procedures necessary to implement the requirements of this Article.

Section 3 - Powers

The Corporation shall have all the powers now or hereafter conferred by law on nonprofit Corporations that are necessary to accomplish its purposes as set out in Section 1 of this Article II.

Article III - Membership

Section 1 - Membership Provisions

Membership in TOCICO shall be open to any person interested in the declared purposes of the Corporation, consistent with the requirements and member qualifications of these Bylaws and applicable TOCICO policies, established by the TOCICO Board of Directors. Qualified persons seeking membership will be accepted as a member of the Corporation upon the submission, receipt, acceptance, and processing of the required application materials, dues, fees, and assessments.

Member rights are defined as the opportunity to vote on Corporation matters and to hold elected or appointed office, as defined in these Bylaws. Privileges are defined as those tangible and intangible benefits, products and services offered with membership in the Corporation. The TOCICO Board of Directors shall establish the privileges associated with membership.



The Corporation, at the discretion of the Board of Directors, shall have several classes of members. The Board shall determine all membership fees, voting rights and qualifications for all classes of membership. From time to time, the Board shall define the privileges applicable to each Membership class. The Board may amend the classes of membership by a two thirds majority approval vote of a proper quorum of the Board of Directors.

Transfer. Membership in the Corporation is not transferable to any other person or organization, regardless of category or classification.

Section 2 – Membership Classes

As of this amended and restated Bylaws dated 8/18/2022 the following classes of members exist:

1. Standard Member. Any person who is interested in, or engaged in, the practice, teaching, or other application of TOC, including research concerning TOC, may qualify as a Standard Member of the Corporation. Standard Members shall have voting rights and may hold any elected or appointed office in the Corporation.
2. Life Member. Members who meet the requirements of the Bylaws and such other requirements as the Board may establish shall be eligible for Life Membership with the Corporation.
Based upon criteria established by the Board any member who has rendered continued outstanding service on behalf of the Corporation may be honored with a Life Membership by an affirmative vote of two-thirds of the Board. Such Life Membership shall have all the privileges of Standard Membership and be exempt from payment of any further dues.
3. Retired Member. Any person who has been a TOCICO Member in good standing for five (5) consecutive years, and who has retired from active employment, qualifies for TOCICO Retiree membership. Retiree Members shall have all rights of the Standard Member class.
4. Organizational Member. Any company, organization, government body or institution who is interested in, or engaged in, the practice, teaching, or other application of TOC, including research concerning TOC, may qualify as an Organizational Member of the Corporation. Organizational Members shall have voting rights the extent of which will be determined by the Board of Directors by a two thirds majority approval vote of a proper quorum of the Board of Directors. An Employee selected by the member organization and may hold any elected or appointed office in the Corporation.
5. Academic Member. Any person currently employed as a full-time educator in an undergraduate or graduate degree program from an accredited or globally equivalent college or university may qualify for Academic membership. Academic Members shall have voting rights. Academic Members shall be entitled to hold any elected or appointed office in the Corporation, Certified K-12 educators, pre-school through high school, or globally equivalent, can qualify as an academic member.
6. Student Member. Any person currently enrolled as a full-time student in an undergraduate or graduate degree program from an accredited or globally equivalent college or university may qualify for TOCICO Student membership. Student Members shall have voting rights. Student Members shall not be entitled to hold any elected office in the Corporation, except that Student Members may hold leadership positions in any Board approved committees of the corporation.
7. Associate Member. Any person who joins the Corporation to access limited privileges



pursuant to policies duly adopted by the TOCICO Board of Directors. Associate Members shall not be entitled to exercise any voting rights, and shall not be a candidate for, nor hold any elected or appointed office in the Corporation.

8. Corporate Member - The Board may allow organizations to join as a member, with the terms to be determined on a case-by-case basis upon, depending on the needs of the applying organization.

Section 3 - Suspension, Expulsion, Termination

Pursuant to a process and under procedures duly adopted by the TOCICO Board of Directors, any member may be suspended or expelled from membership by a three-fourths (3/4ths) affirmative vote of the TOCICO Board of Directors.

Concurrent with the action by the TOCICO Board, the terms of suspension or expulsion will be defined and provided.

Should a member be suspended or expelled, that member may request the Chairperson of the Board to establish a committee made up of past Chairpersons/Presidents who will make a final recommendation to the Board.

The member and Board will accept that decision as final. Neither the Board in total nor any individual or group of members shall have any further rights.

The corporation will not address commercial matter issues, nor matters of intellectual property ownership between members.

Termination. Following notice by invoice, and consistent with these Bylaws and applicable policies, the Corporation may terminate the membership of any member who has not satisfied membership requirements related to the payment of all applicable dues, fees, and assessments.

Article IV - Dues, Fees, and Assessments

Section 1 - Dues, Fees, and Assessments

General. TOCICO shall be entitled to assess yearly membership dues, fees, and other assessments from each member of the Corporation, for all classes of membership. All such dues, fees, and other assessments will be due and payable in advance of each year of membership in such amounts as are approved by the TOCICO Board of Directors.

TOCICO Board Authority/Dues, Fees, and Assessment Reduction and Waiver: The TOCICO Board of Directors shall have the authority to develop, establish, and enforce policies to determine, amend, modify, and, in special circumstances, reduce or waive fees, dues, and assessments for special reasons, including, but not limited to, domicile, financial hardship and other appropriate considerations.



Section 2 - Determination of Dues, Fees and Assessments

The amount of all dues, fees and assessments will be established/changed for all members at all levels on recommendation of the Board and shall require a two thirds majority vote of the Board of Directors for approval.

Section 3 - Failure to Pay

Non-Payment of Dues. Any member who has not paid all applicable dues, fees, and other assessments shall be in default and shall not be entitled to exercise any rights and privileges of membership until such time as all such current yearly dues, fees, and assessments are paid in full. Members who pay all dues, fees and assessments in arrears within one hundred (100) days of notice of the default shall not lose any membership seniority or similar status. Non-payment of all dues, fees and assessments after one hundred (100) days of notice will be deemed a resignation from the Corporation.

Article V – Membership Meetings

Section 1 - Annual Meeting of Members

Annual Membership Meeting. The Corporation shall conduct an Annual Membership Meeting each year on a date to be established by the TOCICO Board of Directors. The TOCICO Board of Directors may also call other membership meetings, as deemed necessary.

- 5.1.1** Notice of the place, date and hour of the Annual Meeting of Members and a proposed agenda shall be published by written letter, newsletter, or on the Corporation web site with notification to members by email and delivered not less than ten (10) nor more than ninety (90) days before the date and time appointed for such meeting. Members shall have ten (10) days to request an agenda change with the final agenda circulated to all concerned three (3) days before the meeting is to take place. Publishing of the agenda or notice on the Corporation's website with notification to members by email fulfills the legal requirement for notification.
- 5.1.2** The Board reserves the right to conduct the Annual Meeting of Members in a virtual setting through web-based teleconferencing technology or any other electronic means of communication appropriate.

Section 2 - Special Meeting of Members

- 5.2.1** Special meetings of the Corporation may be called by the Chairperson upon written request of two-thirds of the Board or by 10% or more of the eligible voting members, only to consider a specific subject. Notice for any special meeting shall be given in the same manner as for the Annual Meeting of Members, except that the purpose or purposes of the meeting must be delivered to the voting members.
- 5.2.2** The Board reserves the right to conduct a Special Meeting of Members in a virtual setting through web-based teleconferencing technology or any other electronic means of communication appropriate.



Section 3 - Quorum Requirements

A quorum of the eligible voting membership of the Corporation shall exist at any Annual Membership Meeting for the purpose of voting on all questions, resolutions, and other actions, so long as the Annual Membership Meeting has been properly announced and questions have been submitted consistent with the requirements of these Bylaws and applicable law.

Section 4 - Voting Procedures.

All votes of the Corporation membership taken at the Annual Membership Meeting will be conducted by appropriate ballot. Each voting member is entitled to one vote per question or resolution only. Unless otherwise required by the Articles of Incorporation, these Bylaws, or applicable law, all actions of the membership shall be carried by a majority vote.

Section 5 - Proxy

A member may vote by proxy executed in writing by the member or the member's authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 6 – Manner of Acting

At a meeting at which a quorum is represented, the affirmative vote of a majority of the members represented at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number is required by law or by the Articles of Incorporation.

Section 7 – Consent in Lieu of Meeting

Any action required or permitted to be taken at the meeting of members may be taken without a meeting if a written consent setting forth the action so taken is signed by a majority of members entitled to vote with respect to the subject matter thereof. Any such consent shall be inserted in the minute book of the Corporation as if it were the minutes of a members meeting.

Section 8 – Voting Means

The means employed for member voting may be by any means permitted by law, including but not limited to mail, telephonic and/or electronic processes, as the General manager and Chairperson of the Board of Directors of the Corporation may determine is reasonable and appropriate to ensure the integrity of the voting process.

Article VI - Board of Directors

Section 1 – General

The Corporation shall be governed by an elected TOCICO Board of Directors. It is the duty of the TOCICO Board of Directors to carry out the purposes and objectives of the non-profit corporation.

Section 2 – Authority

The TOCICO Board of Directors shall be vested with the powers possessed by the non-profit corporation itself, including the powers, accountability and authority to: uphold and execute the organization's purposes; appoint and remunerate agents and employees; disburse funds of the Corporation; purchase, lease, sell, transfer and otherwise convey property; and establish and adopt such policies, rules, and regulations for the



conduct of its business, responsibility, and authority as will be deemed advisable, insofar as any exercise or delegation of authority is consistent with, and does not conflict with, the Articles of Incorporation or Bylaws of the Corporation (in their present form or as amended), or applicable law.

Section 3 – Functions

Accountable to the TOCICO membership, the TOCICO Board of Directors shall be responsible and accountable for strategic planning and the establishment of policy with respect to activities of the Corporation. The TOCICO Board of Directors shall oversee the management, control and supervision of the business, as well as other lawful activities and affairs deemed necessary to further the objectives of the Corporation, including an annual report to the members of the Corporation.

Section 4 - Director Qualifications

All Directors of the Corporation shall be eligible members in good standing for the past two (2) consecutive years. The TOCICO Board of Directors may, in its discretion, determine additional qualifications for Directors consistent with these Bylaws. A member in good standing shall be defined as being current with dues and assessments; is in full compliance with the policies and rules set by the Corporation; and who has not taken part in any activities that have harmed, or potentially could harm the operations, finances and well-being of TOCICO, as determined by the Board of Directors by a 3/4th's majority vote.

Section 5 – Number and Tenure

The Board shall be composed of no less than five (5) Directors but not more than nine (9), which number may be increased or decreased at any time by the members of the Corporation at their Annual Meeting, but no decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

Board members shall serve for a period of three (3) years and are limited to serve only two (2) consecutive three-year terms.

Eligible members may vote for Directors on the corporation's website for a specified time period prior to the annual meeting as determined by the Board of Directors. Said time period to be no less than 30 days. Eligible members can also cast their vote at the annual meeting of members. Each director shall hold office until his or her successor has been elected and qualified, or until he or she resigns or is otherwise removed from office.

Directors must be voting members of the Corporation.

Section 6 - Resignations

A Director may resign at any time by submitting a written resignation to the Chairperson of the Corporation. Any resignation will be effective as of the time specified in the written resignation, or, if no date is specified, as of the acceptance date of the written resignation as determined by the Chairperson.

Section 7 - Removal

Any Director may be removed from the Board by the TOCICO Board of Directors for cause whenever in the Board's judgment the best interests of the Corporation will be served thereby. Removal will require a two-thirds (2/3rds) vote of the Directors at any regular or special meeting of the TOCICO Board of Directors at which a quorum is present.



Should any member of the Board be absent from four (4) meetings of the Board within the Corporation's fiscal year, the seat on the Board may be declared vacant. The Chairperson may proceed to fill the vacancy as set forth in these Bylaws.

The Board is empowered to remove and replace any director if charges of negligence or misconduct of office are sustained by a two-thirds vote of the total Board.

Section 8 - Vacancies

In the case of a vacancy, resignation, or removal of a TOCICO Board Director, the remaining Directors shall appoint another qualified individual to fill the vacancy for the unexpired portion of the term. The length of terms of the resigning member will apply to appointments to fill vacancies. The service for the duration of the unexpired term, under this section, will not count in the calculation for term limits under Section 5 above.

Section 9 – Eligibility

Any voting member in good standing for the past two (2) consecutive years shall be eligible to be elected to the Board of the Corporation.

Section 10 – Nominations

Any current individual or organizational member in good standing may nominate any eligible member for election to an open seat on the board. Eligible members may self-nominate. The nominee(s) shall be selected in accordance with procedures as set out in these Bylaws. Nominations may be accepted from the floor at the meeting at which the elections are being held.

Section 11 – Election of Directors

The Secretary shall prepare an official ballot listing the names of the nominees for the available positions on the Board. Of the votes cast, the candidates with the highest numbers of votes for the directors' positions are elected to those positions.

Section 12 - Power of the Board

The Board shall have supervision, control, and direction of the affairs of the Corporation. The authority for the conduct of the Corporation business shall include, but not be limited to:

- 6.12.1** Appoint committees on particular subjects from members of the Corporation.
- 6.12.2** Publish and circulate documents and public articles in the public interest and for the welfare of the Corporation.
- 6.12.3** Carry on correspondence and communicate with other similar associations interested in the sharing and collaboration in the Theory of Constraints BOK and its application.
- 6.12.4** Establish and maintain policies and procedures to govern the Corporation.
- 6.12.5** Elect the officers of the Corporation as set out in these Bylaws.



Section 13 - Meetings

- 6.13.1** The Board shall meet at such times and places as may be determined by action of the Board, by call of the Chairperson, or by written request of five (5) members of the Board, provided that there shall be at least two (2) meetings each year, with one meeting being the Annual Meeting of the Board held no later than November 30th of every year.
- 6.13.2** Written notice of the time and place of all meetings of the Board shall be provided to each Board member not less than thirty (30) days prior to the appointed time of such meeting. Written notification by email, by written letter, newsletter, or on the Corporation web site, shall constitute legal notice.
- 6.13.3** The Board reserves the right to conduct meetings of the Board in a virtual setting through web- based teleconferencing technology or any other electronic means of communication appropriate.

Section 14 – Quorum

A majority of the Board shall constitute a quorum for the transaction of business and a vote of at least five (5) directors shall be necessary to act on a motion unless the act of a greater number is required by the law, the Articles of Incorporation, or these Bylaws.

Section 15 – Special Need Board Members

Should the Board identify a need that would benefit TOCICO, the board may by a two thirds majority vote of the board select up to two additional board members for a term of one year, which may be renewed annually for successive annual terms not to exceed 6 consecutive years.

Article VII - Officers

Section 1 - Officers

The officers of the Corporation shall be a Chairperson/President, a Chairperson-elect/Vice President, a Secretary, a Treasurer, and such other Officers as the Board may from time to time establish in the Rules of the Board. Officers shall be nominated and elected by the Board pursuant to these Bylaws, or they may be appointed to an Officer role due to their position in the Corporation or because of their job function as an employee of the Corporation, The Chairperson is elected by the Board and is deemed an Elected Officer. Any two or more offices may be held by the same person, except for the offices of Chairperson/President and Secretary.

Section 2 - Election / Terms of Office

Elected Officers of the Corporation shall be elected from among all Directors of the Board, whose term will be active in the period for which an Officer is being elected and at the time of election. The Elected Officers of the Corporation for the following year shall be elected at the last scheduled meeting of the current TOCICO Board of Directors and shall take office immediately after they are elected. The term of office for an Officer shall be two (2) years, or until a successor assumes office. Unless otherwise and specifically authorized by these Bylaws, no Elected Officer shall serve more than two (2) consecutive terms nor more than four (4) years, in the same office. The term for Appointed Officers of the Corporation is dependent on their maintaining their job function as an employee of the Corporation. If any elected officer does not have term eligibility, the Board shall elect a replacement officer.



Section 3 - Vacancies

In the event that an Elected Officer is unable to complete an elected term for any reason, the TOCICO Board of Directors shall elect a successor to complete the unexpired portion of an Elected Officer's term at the next special or regularly scheduled TOCICO Board of Directors meeting pursuant to these Bylaws. The successor will assume office upon being elected.

Section 4 - Removal

Any Elected Officer may be removed from Office by the TOCICO Board of Directors for cause whenever in its judgment the best interests of the Corporation will be served thereby. An Officer of the Corporation may be removed by a two-thirds (2/3rds) vote of the Directors present at any regular or special meeting of the TOCICO Board of Directors at which a quorum is present; and in accordance with TOCICO Board of Directors adopted policies and procedures. The TOCICO Board of Directors will then elect a successor according to the provisions of Section 4 - Vacancies.

Section 5 - Balloting

The current Secretary shall prepare an official ballot listing the names of the nominees for each position. Of the votes cast, the candidate who receives a majority vote for each officer position is elected to that position. In the event of more than two candidates being nominated for a particular office and neither receives a majority vote by the end of the second ballot, the candidate with the fewest votes shall be removed from the ballot. This process shall continue after each succeeding ballot until one candidate receives a majority vote. In the event of only one nominated candidate, the candidate shall be declared elected by the Chairperson/President.

Section 6 – Chairperson/President

- 7.6.1 The Chairperson/President shall be the principal executive officer of the Corporation,
- 7.6.2 With the Chairperson-elect/Vice President, Secretary or any other officer of the Corporation authorized by the Board, he or she may on behalf of the Corporation execute contracts, or other instruments that the Board has authorized to be executed, except when the execution of such duties has specifically been assigned to another office in these Bylaws.

Section 7- Chairperson-elect/Vice President

- 7.7.1 In the absence of the Chairperson/President or his or her disability or refusal to act, the Chairperson- elect/Vice President shall perform the duties of the Chairperson/President, and when so acting shall have the powers of and be subject to the restrictions of the Chairperson/President.
- 7.7.2 At the conclusion of the Chairperson/President's two-year term of office, the Chairperson-elect/Vice President shall ascend to the office of Chairperson/President.
- 7.7.3 In the event of the Chairperson/President's death or inability to act, the Chairperson-elect/Vice President shall ascend to and perform the duties of that office. He/she shall complete the term of office that he/she assumed and that term to which he/she would otherwise be entitled. In the event that the Chairperson-elect/Vice President is unable to assume the office of Chairperson/President, the Board shall elect both a Chairperson/President and a Chairperson- elect/Vice President at the next Meeting of the Board.



Section 8 – Secretary

- 7.8.1** General Duties. Except as may be specifically delegated to a TOCICO Board Committee or other individual as designated by a TOCICO Board of Directors approved Charter or Rule of the Board, the Secretary shall have and perform all duties commonly incident to, and vested in, the corporate offices of secretary, as well as all duties delegated and designated by the TOCICO Board of Directors.
- 7.8.2** Specific Duties. Except as may be specifically delegated to a TOCICO Board Committee or other individual by a TOCICO Board of Directors approved Charter or Rule of the Board, the duties and authority of the Secretary shall include, but not be limited to accountability for the accuracy of board documents, such as true minutes of all such meetings and all notices given in accordance with these Bylaws.

Section 9 – Treasurer

- 7.9.1** General Duties. Except as may be specifically delegated to a TOCICO Board Committee or other individual as designated by a TOCICO Board of Directors approved Charter or Rule of the Board, the Treasurer shall have and perform all duties commonly incident to, and vested in, the corporate offices of treasurer, as well as all duties delegated and designated by the TOCICO Board of Directors.
- 7.9.2** Specific Duties. Except as may be specifically delegated to a TOCICO Board Committee or other individual by a TOCICO Board of Directors approved Charter or Rule of the Board, the duties and authority of the Treasurer shall include, but not be limited to oversight of all fiscal and financial investment policies of the Corporation.

Article VIII – Committees

Section 1 - Purpose and Names

- 8.1.1** The TOCICO Board of Directors may establish and maintain committees as it deems necessary to deal with issues of, operations, administration, *etc.*, subject to such limitations, policies, and rules as the TOCICO Board of Directors may adopt, to assist it in the performance of its duties.
- 8.1.2** **Special committees** may be designated from time to time by the Chairperson/President for specific reasons or conditions.

Section 2 - Appointment and Term

The Chairperson/President shall annually designate the chairpersons of Corporation committees. Members of committees shall be appointed annually for a one-year term. There shall be no barrier to holding committee appointments for more than one year. Members of special committees shall be appointed for such time as the committee's purpose has been accomplished.

Section 3 - Rules

Each committee may adopt rules for its own governance, consistent with these Bylaws and with rules adopted by the Board.



Section 4 - Reporting

Corporation committee chairpersons or their designees shall submit a report in writing to the Secretary at least fifteen (15) days prior to the Annual Meeting of the Members. The Secretary will have any motions coming from a committee reviewed by the Governance Committee and have the report and the reviewed and corrected motions to the Board at least ten (10) days prior to the Annual Meeting of Members. Other committees shall make such other reports as may be requested by the Chairperson or Board in a similar manner.

Article IX – Miscellaneous

Section 1 - Fiscal Year

The fiscal year shall be the first day of December through the last day of the following November.

Section 2 – Waiver of Notice

Whenever any notice is required to be given to any member or director of the Corporation under the provisions of these Bylaws or under the provisions of the Washington Nonprofit Corporation Act, 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.

Section 3 - Bonding

Any person entrusted with the handling of funds or payments of the Corporation, at the discretion of the Board, shall obtain and maintain a fidelity bond at the cost of the Corporation.

Section 4 - Use of Funds and Dissolution

The Corporation shall use its funds only to accomplish the objectives and purposes specified in these Bylaws and no part of its funds shall inure or be distributed to members of the Corporation. Upon dissolution of the Corporation, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, or philanthropic corporation to be selected by the Board.

Section 5 – Contracts, Loans, Payments and Deposits

- 9.5.1 Contracts** –The Board may authorize the General Manager, any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.
- 9.5.2 Loans** - No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.
- 9.5.3 Loans to Officers and Directors** - No loans shall be made by the Corporation to its officers or its directors.
- 9.5.4 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 Corporation, shall be signed by such General Manager, officer or officers, or agent or agents, of the Corporation and in such manner as from time to time determined by resolution of the Board.



- 9.5.5 Deposits** - All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.

Section 6 – Liability Insurance for the Corporation and the Board of Directors

The Board shall secure liability insurance in a reasonable and prudent manner, sufficient to cover both the Corporation, the Board and corporate officers and the General Manager against any claims that may arise from their direct association with the Corporation or in performance of their duties in carrying out the business of the Corporation.

Article X: Allied and Cooperative Relationships

Section 1 - Establishment and Purposes

The TOCICO Board of Directors may promote such cooperative relationships with other management groups, institutions or entities, including global organizations, where such relationships will serve to further the interests and objectives of the Corporation. The TOCICO Board of Directors shall develop and approve policies and procedures to govern the establishment of cooperative relationships. The Chairperson and General Manager shall be responsible for the development and implementation of all general Allied or Cooperative Agreements. The TOCICO Board of Directors shall be kept informed of new and changed agreements by the Chairperson and General Manager.

Article XI: Governance

Section 1 - Authorization to Act on Behalf of the Corporation

Except as provided in these Bylaws or in the Articles of Incorporation, or by applicable law, no Director, Officer, employee, representative, office holder, or other agent of the Corporation may act on behalf of the Corporation or hold himself or herself out to the public as authorized to act on behalf of the Corporation without the prior express, written approval of the TOCICO Board of Directors.

Section 2 - Parliamentary Procedures

The rules contained in the most recently revised edition of North American *Robert's Rules of Order*, may be used to guide the proceedings of the TOCICO Board in instances not otherwise provided for in these Bylaws or by TOCICO Board adopted policy and procedure.

Section 3 - U.S. Internal Revenue Code

All references in these Bylaws to sections of the U.S. Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, to the corresponding provisions of any applicable future U.S. Internal Revenue laws, and to all regulations issued under such provisions.

Section 4 - Severability

If any portion of these Bylaws shall be invalid or inoperative, then, so far as reasonable, the remainder of these Bylaws shall be considered valid and operative.

Section 5 - Notice

Whenever these Bylaws require notice to be given, the notice may be given in any manner permitted by law.



Section 6 - Language

English shall be the official business language of the Corporation.

Article XII: Finance and Budget

Section 1 – Annual Budget

A budget showing anticipated revenue and authorized expenses shall be adopted annually by the TOCICO Board of Directors. The annual budget for succeeding years shall be consistent with TOCICO Board-approved annual budgeting policies and procedures.

Section 2 - Accounting

Accounting for the finances of the Corporation shall conform to the recommended practices of the American Institute of Certified Public Accountants.

Section 3 - Independent Audits

The TOCICO Board of Directors may from time to time provide for an annual audit of the Corporation's finances and financial statement by an independent auditor. Results of such audit shall be reported to the TOCICO Board of Directors. The Treasurer and General Manager shall submit regular, scheduled statements of account to the TOCICO Board of Directors.

Section 4 - Liabilities

No member, officer, director, committee, chairperson, department, employee, agent or representative of the Corporation shall have authority or power to expend Corporation's funds, incur liability, or make any commitment for the Corporation that will bind the Corporation or create any financial liability, unless specifically authorized by these Bylaws or by the prior express, written approval of the TOCICO Board of Directors.

Section 5 - Contracts

The TOCICO Board of Directors may authorize each Officer, Chairperson and General Manager or the Chairperson and General Manager's designee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. In addition, the TOCICO Board of Directors may authorize other agents of the Corporation to enter into any contract, or execute and deliver any instrument, in the name and on behalf of the Corporation. Such authority must be expressly granted in writing prior to the execution of the contract or instrument.

Section 6 - Property

The TOCICO Board of Directors may take, receive, hold, sell, lease, and otherwise convey personal property. The TOCICO Board of Directors may delegate any responsibilities with respect to such property to the Chairperson and General Manager.

Section 7 - Checks, Drafts, Notes

The TOCICO Board of Directors authorizes each Officer, Chairperson and General Manager, or their authorized designee(s), to issue checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness in the name of the Corporation.



Section 8 - Bonding

As may be determined by the TOCICO Board of Directors, any elected Officers, Board Directors, or Committee members, approved and authorized agents, and employees, including the Chairperson and General Manager, of the Corporation who are responsible for collection, disbursement, investment, or safekeeping of funds, may be furnished a bond for the faithful performance of their duties, in such form and amount (sum) as the TOCICO Board of Directors shall prescribe and approve.

Article XIII: Dissolution

Section 1 - Disposition of Assets

Upon dissolution of the Corporation, in accordance with applicable State of Washington or other law, and after paying or making provisions for the payment of all liabilities, the TOCICO Board of Directors shall dispose of all assets of the Corporation in a manner consistent with any relevant legal requirements concerning the Corporation's tax exempt and non-profit status, and exclusively to one or more non-profit organizations having similar aims, purposes, or objectives as the Corporation, and which may be selected as an appropriate recipient(s) of certain assets, so long as such organization(s) shall then qualify as an organization or organizations exempt from federal income taxation under Section 501(c)(3) of the U.S. Internal Revenue Code, or other controlling law.

Article XIV – Indemnification

To the full extent permitted by the Washington Nonprofit Corporation Act, the Corporation shall indemnify any person who, acting in good faith and in a manner he or she reasonably believed to be in the best interests of the Corporation, was or is a party or is threatened to be made a party to any civil, criminal, administrative, or investigative action, suit, or proceeding (whether brought by or in the right of the Corporation or otherwise) by reason of the fact that he or she is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, against expenses (including attorneys' fees), judgements, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding; and the Board may, at any time, approve indemnification of any other person which the Corporation has the power to indemnify under the Washington Nonprofit Corporation Act. The indemnification provided by this section shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract.

Section 1 - Determination of Proper Indemnification

Unless ordered by a court, discretionary indemnification of any representative shall be approved and granted only when consistent with the requirements of applicable law, and upon a determination that indemnification of the representative is proper in the circumstances because the representative has met the applicable standard of conduct required by law and in these Bylaws.



Section 2 - Indemnification Not Exclusive of Other Rights/Court Determinations

- 14.2.1 Extent of Indemnification.** The indemnification provided under this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles of Incorporation, these Bylaws, any agreement, vote of disinterested Directors, or otherwise, both as to actions in his or her official capacity and as to actions in another capacity while holding office, and any such indemnification shall continue as to a person who has ceased to be a Director, Officer, employee, trustee, authorized representative, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such person.
- 14.2.2 Effect of Court Determinations.** Indemnification made pursuant to this Article shall not be made in any case where the act, or failure to act, giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness

Article XV – Amendments

Article XV – Amendment Member Voting

The power to alter, amend or repeal the Bylaws or adopt new Bylaws shall be vested in the Board. An affirmative vote of a two thirds majority of the Board is required to alter, amend or repeal the Bylaws or adopt new Bylaws. The text of the change will be sent to all members in good standing to review and submit feedback for not less than thirty (30) days prior to a Bylaws vote by the Board of Directors.

Except as indicated above, the Bylaws shall remain in full force and effect in accordance with its terms.

CERTIFICATE OF ADOPTION

Article XVI: Adoption of Bylaws

Section 1 - Resolution to Adopt Bylaws

The Theory of Constraints International Certification Organization was organized under the laws of the State of Washington in 2001. These Bylaws hereby nullify and replace the TOCICO Bylaws last amended on 1 November 2020. These Bylaws were adopted by a two- thirds (2/3rds) vote of the TOCICO Board of Directors and become effective 8/18/2022.

The undersigned, being the Chairperson and Secretary of the Corporation, hereby certify that the foregoing are the Bylaws adopted by resolution of the Board as of 11/01/2020 and ratified by the TOCICO Board of Directors as of 8/18/2022.

Andrew Kay, Chairperson

Simon White, Secretary