

**AMERICAN ASSOCIATION OF
COSMETOLOGY SCHOOLS
BY-LAWS**

PROLOGUE

The American Association of Cosmetology Schools (AACCS) is a Non-Profit Association open to schools that provide education in cosmetology, beauty, wellness and/or other related areas of study. Memberships are available for related industries and other key stakeholders.

ARTICLE I

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ARTICLE II

NAME

The name of this Association is: AMERICAN ASSOCIATION OF COSMETOLOGY SCHOOLS (hereinafter referred to as the “Association” or “AACCS”).

ARTICLE III

HISTORY/PURPOSE

AACS was founded in 1924 as a Non-Profit Educational Association. Today, AACS brings together all facets of the cosmetology, beauty and wellness industries to advance the education of cosmetology, beauty and wellness and to represent the interests of career based educational institutions and their students before regulatory and legislative bodies.

The mission and purpose of the Association is to advance educational excellence. This mission will be realized by adhering to the core values listed herein:

Integrity
Being Passionate and Determined
Humanitarian Outreach
Embracing Diversity
Members First Through Empowerment
Preserving Educational Choice
Fostering a Sense of Community
Creative Learning
Changing Lives

ARTICLE IV

OBJECTIVES/IMPLEMENTATION

Section 1. Objectives

The primary objectives of this Association are:

- A. To promote the interests of cosmetology, beauty and wellness educational institutions and their students including but not limited to educational excellence and ethical practices.
- B. To assist local, state, regional, national associations and other organizations, in the development and exchange of information helpful to the advancement of career education in the fields of cosmetology, beauty, wellness, and others.
- C. To assist regulatory and legislative bodies in the development and maintenance of standards and sound business practices and policies in cosmetology, beauty and wellness education.
- D. To conduct and promote research for the advancement of cosmetology, beauty and wellness education.
- E. To encourage and advocate for the development of local, state, and regional educational and student organizations.
- F. To engage in public relations activities which promote a professional image of cosmetology, beauty and wellness education.
- G. To advocate for and to represent the interests of career education entities including but not limited to cosmetology, beauty, and wellness.

Section 2. Implementation

In furtherance of these objectives, but not in limitation thereof, the Association shall have the power:

To engage in activities which align with the Association's mission, purpose and strategic plan.

ARTICLE V
MEMBERSHIP

Section 1. Categories

Membership categories include – School Member and Associate Member.

A. School Member

Any privately owned school or public corporation that offers career education, including but not limited to resident courses of study or is actively working toward operating a resident school in cosmetology, beauty, wellness and/or other related fields accepted for membership.

B. Associate Member

Any key stakeholder associated with the cosmetology, beauty and wellness industry and/or career education accepted for membership.

Section 2. Conditions of Membership

A. As a condition of membership in good standing, members of the Association shall conform to the provisions set forth in the By-Laws and/or policies of the Association and have fulfilled all financial obligations to the Association.

B. Should ownership of a member change, which constitutes a change in control, notice shall be made by the new owner to the Executive Director of the Association. The Association shall have the right to ask for reapplication/application.

C. An educational institution which is owned or controlled in common with another educational institution or institutions by the same or substantially the same entity and which has a similar scope of practice or mission shall not be eligible for nor retain membership in the Association unless all of the common schools are maintained as members.

An Associate Member which is owned or controlled in common with another company or entity by the same or substantially the same entity may be

eligible for or retain membership in the Association separately or as a group.

D. If at any time, a member no longer qualifies for its existing membership under these By-Laws, such membership shall be terminated by action of the Executive Director with the consent of the Board of Directors.

Section 3. Use of Logo, Certificate of Membership and Member Benefits

The official logo, certificate of membership and member benefits of the Association may be used as long as a member is in good standing and fulfills all requirements of membership. If membership is terminated for any reason, use of the logo, certificate of membership and member benefits shall be discontinued.

Section 4. Resignation

Any member may withdraw from the Association after fulfilling all of its financial obligations to the Association and by giving written notice to the Executive Director.

Section 5. Suspension & Expulsion

Any member may be suspended or expelled for cause. Cause is defined as: a violation of any By-Law, rule or practice adopted by the Association or any other conduct prejudicial to the interests of the Association. Such suspension or expulsion shall be declared by a two-thirds (2/3) vote of the Board of Directors, provided that a statement of the allegations are delivered to the member at least forty-five (45) days before final action is taken. This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors during which the allegations shall be considered. The member shall have an opportunity to appear in person or by his or her representative and present any defense to such allegations before action is taken. A member may present his or her defense in writing or via conference call if he or she so desires. Appeal of expulsion or suspension is due in writing to the Executive Director within ten (10) days of the original notice of such action. All costs associated with a member's appearance or defense shall be at the member's expense.

A member who has been expelled may reapply for membership after one (1) year or upon substantiated proof of corrective action, whichever comes first.

Said application must be approved by a two-thirds (2/3) vote of the Board of Directors.

Section 6. Directory

A directory containing the names, addresses and information of all members shall be made available as determined by the Board of Directors.

ARTICLE VI

DUES AND ASSESSMENTS

Annual dues for each member shall be payable on a schedule and in an amount established by the Board of Directors.

Section 1. School Member Dues

In the event that a member school is owned in common with one (1) or more other schools, full membership dues shall be paid for the first school, reduced membership dues shall be paid for schools two (2) through ten (10) and an administrative fee shall be paid for each additional school thereafter.

Section 2. Associate Member Dues

In the event an Associate Member is owned or controlled in common with one (1) or more other Associate Members as described in Article V, Section 2 Subsection C, full membership dues shall be paid for the first three (3) memberships, reduced memberships shall be paid for each associate four (4) through six (6) and an administrative fee shall be paid for each additional Associate Member thereafter.

Section 3. Assessments

No assessments other than dues may be made except by a two-thirds (2/3) vote of all members of the Association in attendance at a regular or special meeting called in accordance with the provisions of Article VII.

Section 4. Fiscal Year

The fiscal year of the Association shall be April 1 through March 31.

ARTICLE VII

MEMBER MEETINGS

Section 1. Annual Member Meeting

A. There shall be an Annual Member Meeting of the Association to be held at such time and place as the Board of Directors shall determine. Notice of the time and place of such meeting shall be sent to the last recorded physical or electronic address of each member at least sixty (60) days prior to the scheduled meeting date.

B. During the Annual Member Meeting, the Board of Directors shall present a report to the membership on the state of the Association, conduct elections of the Board of Directors, and transact such other business as determined by the Board.

Section 2. Voting

A. Voting, other than for the purpose of revising By-Laws of the Association or as otherwise specified herein, is by membership class. Voting by membership class shall be made in the same venue and at the same time and must be cast by an owner or designated representative.

i. School Member representatives of the Board of Directors shall be elected by School Members of the Association. Each School Member in good standing shall have one (1) vote per school owned, as described in Article VI, Section 1, up to a maximum of ten (10) votes. Member schools owned in common with one (1) or more other member schools shall cast their votes by a single person who is an owner or their designated representative.

ii. Associate Member representatives of the Board of Directors shall be elected by Associate Members of the Association. Each Associate Member in good standing shall have one (1) vote per business owned and identified as a member as described in Article VI, Section 2, up to a maximum of three (3) votes. In the event that an Associate Member's business is owned in common

with one (1) or more other businesses, votes shall be cast by a person who is an owner or designated representative of the business.

B. Votes of the membership shall be determined by a simple majority on all actions except in cases of changes to the By-Laws. A two-thirds (2/3) majority vote of the School Membership present at the Annual Member Meeting shall be required to adopt changes to the By-Laws.

C. The chairman of the Leadership Selection Committee will select no more than six (6) individuals to tally the votes cast in elections convened by the Association. In the case of a tie vote the Leadership Selection Committee Chair will hold an additional election between the individuals who tied.

Section 3. Special Meetings

Special meetings of the Association membership shall be held at the discretion of the President or shall be called by the Executive Director upon the written request of a majority of the Board of Directors or a majority membership as described in Article XII. Notice of the time and place of such meeting shall be mailed or sent electronically to the last recorded physical or electronic address of each member at least twenty (20) days before the time appointed for the meeting, unless such notice is waived by consent of the members of the Association in assembly with a quorum present.

Section 4. Quorum

For the purpose of establishing a quorum at a meeting of the membership and transaction of business at least 10% of the total School Member Owners or their designee and 10% of Associate Members or their designee present. In case there are fewer than this number, the presiding officer may adjourn or suspend the meeting from time to time until a quorum is established.

A. Written proxy by the absent school owner or their designated representative, on school letterhead, shall be permitted. This proxy shall designate a school owner or representative to represent the absent owner. The proxy is to be submitted to the person certifying credentials prior to receiving voting credentials and prior to the vote.

B. Written proxy by the absent Associate Member owner or their designated representative, on company letterhead, shall be permitted. This proxy shall designate an Associate Member owner or representative to represent the absent Associate Member. The proxy is to be submitted to the

person certifying credentials prior to receiving voting credentials and prior to the vote.

C. A Proxy shall not be carried by someone from another membership class.

Section 5. Order of Business

The order of business at all meetings of the Association and the Board of Directors shall be in accordance with Robert's Rules of Order – Newly Revised unless otherwise addressed in the By-Laws.

ARTICLE VIII

BOARD OF DIRECTORS

Section 1. Administration

The management, affairs, business and general administration of the Association shall be vested in the Board of Directors. There shall be a maximum of thirteen (13) Directors. Up to eleven (11) of the Directors shall represent School Members and up to two (2) shall represent the Associate Members.

Section 2. Qualifications for Election

All nominees for election as a Director of the Association must submit a completed application and biography to the Leadership Selection Committee not less than sixty (60) days prior to the Annual Member Meeting. All prospective candidates/nominees shall follow the nominations and vetting process as described in Article XI, Section 2 B. All candidates must be involved in a position of management and be employed for the majority of his/her time by a member in good standing with the Association from the membership classification of which they seek to represent on the Board of Directors.

B. The number of School Member Directors may not exceed two (2) representatives from the same company or entity. The number of Associate Member Directors may not exceed one (1) representative from the same company or entity. However, in the event that there is a vacancy on the Board of Directors, the President may appoint an additional School or Associate Board

Member from the same company or entity in excess of these limits provided that such appointment is approved by a two-thirds (2/3) vote of the Board of Directors.

C. No person shall be elected to represent more than one (1) membership classification at a time. Additional qualifications shall be based on the needs of the Association as they apply to the mission and purpose of the Association and as prescribed by the long range strategic plan.

Section 3. Term of Office

A. Each School Member Director shall be elected for a three (3) year term by a majority vote of the School Members with a quorum present at the Association's Annual Member Meeting.

i. School Member Director terms shall rotate with no more than four (4), four (4), and then three (3) seats up for re-election each year.

ii. Effective for the 2015 Election Year there shall be an exception to Article VIII, Section 3, Subsection i. In 2015 there shall be 5 School Member Directors elected, four of which shall be elected for a three (3) year term and one (1) of which shall be elected for a two (2) year term by a majority vote of the School Members with a quorum present at the Association's Annual Member Meeting. The newly elected School Member Director receiving the fewest votes shall be designed to hold the two (2) year term.

B. Each Associate Member Director shall be elected for a two (2) year term by a majority vote of the Associate Members with a quorum present at the Association's Annual Member Meeting.

i. Associate Member Director terms shall rotate with no more than one (1) Associate Director seats up for re-election each year.

C. Newly-elected Directors shall take office after the vote tally has been approved by the Leadership Selection Committee Chair and after the administration of the oath of office. Directors may serve until their successors are elected and approved unless otherwise noted in the By-Laws.

Section 4. Board of Director Vacancies

Vacancies created by resignation or termination of a Director between regular election cycles may be filled by the President with the advice and consent of the majority of the Board of Directors. Candidates selected to fill a vacancy on the Board of Directors must submit all documentation required for such nomination to the Leadership Selection Committee Chair and must be approved prior to assuming the role of Director. Vacancies shall only be filled by persons who represent the membership class that was vacated. The term of a Director appointed to a vacant seat shall be for the remainder of the vacated term.

Section 5. Responsibilities of the Board of Directors

The Board of Directors shall be responsible to support and promote the mission and purpose of the Association.

Section 6. Meetings of the Board of Directors

There shall be a minimum of three (3) regular meetings of the Board of Directors annually. Regular Meetings of the Board of Directors shall be open to the membership unless the Board of Directors has called for Executive Session which may include other invited guests as deemed appropriate by the President in order to facilitate business. Notice of regular meetings of the Board of Directors shall be posted on the Association website at least thirty (30) days prior to the scheduled date. A regular meeting of the Directors may be recessed and held over multiple days but shall be considered a single meeting. In addition to the regular meetings described herein, the Board of Directors may convene special meetings in order to facilitate Association business. These special meetings may be held via conference call and therefore may allow for member participation.

Section 7. Quorum

A simple majority of the Directors shall constitute a quorum for the transaction of business. If a quorum is not present, a lesser number may adjourn the meeting to a later date, not more than ten (10) days later. This meeting may be conducted in person or via conference call. Any member of the Board not in attendance at the time of an official Board action, shall be ineligible to cast a vote. Proxy voting is unavailable for Board actions.

Section 8. Absence of Directors

Any member of the Board of Directors who is unable to attend a board meeting shall notify the Executive Director of his/her inability to attend. If a Director is absent from two (2) regular meetings during the same calendar year, his/her seat on the Board of Directors may be declared vacant by a majority vote of the Directors. Vacancies so created shall be filled in accordance with Article VIII, Section 4. Special meeting participation requirements are outlined in the policies and procedures. The President, with the consent of the majority of the Board of Directors, may make an exception to this section.

Section 9. Ethics, Core Values and Accountability

Directors must adhere to and comply with the following principles to ensure the effectiveness, growth, and integrity of the Association's mission and objectives.

A. Directors will conduct all activities in accordance with moral, ethical and legal standards.

B. Directors shall not be subject to influences, interests, or relationships which constitute a conflict of interest. Directors must disclose any affiliation or interest in any company that is being brought before the Board of Directors for consideration and shall recuse him or herself from voting.

C. Directors owe a Duty of Confidence to the Association. Any information or documents that are made available must be held in strictest confidence and must not be forwarded or discussed with anyone other than the other Directors or administrative staff if applicable.

D. Violation of the above ethic standards or the core values of the Association as described in Article III shall be grounds for suspension or expulsion from the Board of Directors.

ARTICLE IX

OFFICERS

Section 1. Qualifications for Officer

All officers shall be duly elected School Representative Board Members.

Section 2. Election of Officers

A. The officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary. The officers along with the Immediate Past President shall be members of the Executive Committee of the Board of Directors.

B. Each officer shall be elected by a majority vote of the Directors, with a quorum present, at a meeting of the Board of Directors which shall follow the Association's Annual Member Meeting.

C. Directors interested in officer positions shall notify the Chair of the Leadership Selection Committee of their interest and intent at least sixty (60) days prior to the election of officers. Nominations may also be submitted by members of the Board of Directors and the Leadership Selection Committee prior to the sixty (60) day deadline.

Interested Directors shall provide an application and statement of interest and intent shall be required in accordance with timelines set forth. The Leadership Selection Committee will present a list of all qualified candidates for officer positions to the Board of Directors for consideration as Executive Committee Members prior to the vote.

D. At the time of application interested Directors shall declare the officer role of which they wish to seek election. No person shall hold more than one (1) officer role at a time unless otherwise stipulated in the By-Laws.

E. The Leadership Selection Committee may grant an exception to the sixty (60) day requirement based on the needs of the Association on a showing of good cause (need for compelling reason).

In the absence of the Leadership Selection Committee at the time of the board meeting described in Article IX, Subsection 1, a board member may request a live nomination process for the purpose of addressing a vacant slate or other officer nomination issue. Such a live nomination process may proceed if a majority of directors vote to agree with the request. All other rules herein would apply to the vote for the election of the Association's officers.

F. All Association officers will assume their offices after the vote tally has been approved by the Leadership Selection Committee Chair and after the administration of the oath of office. Officers may serve until their successors are elected and approved.

Section 3. Duties of Officers

The duties and powers of the officers of this Association shall be as follows:

A. The President shall: preside at all meetings of the Association and of the Board of Directors; shall sign or approve all contracts or other instruments of the Association (unless such authority is expressly given to the Executive Director); make reports to the Board of Directors and Membership; and perform such other duties as are incidental to his/her office, or as assigned to him/her by the Board of Directors.

i. In the case of the death or permanent absence of the President, or due to his/her inability from any cause to act, the Executive Committee shall recommend a Director to complete the President's current term and assume the responsibilities of the office of President. A majority vote of the Board of Directors shall be required to approve such recommendation.

ii. In case of temporary absence of the President, the Board of Directors shall designate a Vice President or other officer of the Association to assume the duties of the President until the President is available.

B. Vice President

The Vice President shall perform such other duties as are assigned to him/her by the Board of Directors.

C. Secretary

The Secretary (and/or the Executive Officer) shall keep a full and complete record of all meetings and actions of the Board of Directors, sign with the President such other instruments as require his or her signature and make such reports and perform such other duties as are incidental to his or her office, or as may be required of him/her by the Board of Directors and the President.

D. Treasurer

The Treasurer shall report on the financial condition of the Association at all meetings of the Board of Directors and at other times when called upon by the President.

A Certified Public Accountant will complete an audit within three (3) months of the end of each fiscal year. The treasurer will ensure that Audit and IRS filings are completed in a timely manner. The treasurer shall make an annual report to the Board of Directors within forty-five (45) days of receiving the completed audit.

Such duties of the Treasurer as may be specified by the Board of Directors may be delegated to the Executive Director or a designated member of his or her staff.

Section 4. Term of Office

A. The term of office for all officers shall be one (1) year.

B. No Director shall serve as President for more than three (3) consecutive one (1) year terms.

Section 5. Officer Vacancies

Vacancies in any office may be filled by the President with the advice and consent of the majority of the Board of Directors. Officer candidates selected to fill a vacancy must submit all documentation required in the regular nomination process to the Executive Committee and be approved by the Leadership Selection Committee Chair prior to assuming office.

Section 6. Executive Committee Duties

This committee shall exercise such duties as may be prescribed from time to time by the Board of Directors or the Executive Director. Each officer shall have one (1) vote on the Executive Committee. The Immediate Past President shall only vote to break ties on the Executive Committee. The Immediate Past President shall not have a vote on the Board of Directors unless he or she is currently serving an active Director term.

ARTICLE X

EXECUTIVE DIRECTOR

Section1. Executive Director

The Executive Director shall be chosen by a selection committee as appointed by the President with the consent of the Board of Directors. The Executive Committee, with the advice and consent of the Board of Directors, shall be authorized to make an offer, fix the salary amount and terms of his or her contract.

Section 2. The Executive Director shall have charge of the Executive Offices of the Association under the direction of the President and shall keep the President, other officers and the Board of Directors informed of the affairs of the Association. He or she shall perform such other duties as may be assigned by the President.

ARTICLE XI

VOLUNTEER LEADERSHIP AND SELECTION

Volunteerism is essential to the success of the Association and its membership. Selection of volunteer leaders who embody the core values of the Association and believe in service toward the fulfillment its mission and purpose is facilitated as follows.

Section1. Committees

The President shall, unless otherwise provided herein, appoint all Committees and their Leaders. Taskforce groups may be appointed by Committee Leaders with the consent of the President. All committees shall make reports in writing to the Board of Directors as required. The President, in appointing all committees, may appoint members of the Board of Directors as Leaders and/or members of the committees. Board members shall not be named to fill committee leader positions with the exception of the finance committee. All committee correspondence (verbal, written, electronic or other) to the membership and/or public shall be approved by the President or the Executive Director prior to dissemination.

Section 2. Leadership Selection Committee

A. The Immediate Past President shall chair and select the Leadership Selection Committee with the consent of the President. The Leadership Selection Committee shall be comprised of at least three (3) and no more than

five (5) persons none of whom, except for the Immediate Past-President are currently serving on the Board of Directors and/or the Executive Committee.

B. In the event that the Immediate Past President is unavailable to serve as the chair of the leadership selection committee, the President with the consent of the board, shall appoint a past president of the association as chair.

C. The Executive Director shall notify all members of the association of the Board of Directors member nomination and application process at least ninety (90) days before the Annual Member Meeting, requesting that any nominations be sent to the Leadership Selection Committee Chair along with required documents. Notice to the membership may outline any specific skills which are needed ~~are~~ based on the strategic plan of the Association. Qualifications are outlined in Article VIII, Section 2. All applications must be submitted to the Chair of the Leadership Selection Committee at least sixty (60) days prior to the election. Candidates will review the requirements and confirm their intent in order to be considered. All applications will be approved or denied no later than forty-five (45) days before the election. Applicants who are denied may appeal to the Executive Committee within ten (10) days of the date of the denial. The Executive Committee will approve the candidates and transmit an official slate of candidates to the membership no later than thirty (30) days prior to the election.

Exceptions may be made to this above stated timeline by the Leadership Selection Committee Chair with the consent of the Executive Committee based on the needs of the Association.

ARTICLE XII

REFERENDUM VOTE

Policy matters of major importance (including amendments to the By-Laws) may be submitted by mail or electronic means by members of the Association. Such referendum may be initiated by vote of the Board of Directors or upon the written request of 10% of the School Members in good standing and 10% of Associate Members in good standing (based on total votes allowed).

Votes on referendum actions may take place at an Annual or Special Meeting of the membership as recognized as describe in Article VII, Section 1 and Section 3.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1. Dissolution

Upon dissolution of this Association, any sums remaining in the treasury, after satisfaction of all debts and claims against the Association, shall be given to a non-profit charitable organization selected by the Board of Directors.

Section 2. Evidence of Authority

A certificate by the Secretary (or the Executive Director) as to any action taken by the Members, Directors, any officer, or representative of the Association shall, as to all persons who rely thereon in good faith, be conclusive evidence of authority for such action.

Section 3. Interpretation and Appeal

Appeals from any interpretation of these By-Laws and all other rules and regulations of this Association may be made by any member to the Board of Directors. A decision of a majority of the Directors, acting upon such appeal, shall be final and conclusive. However, any member may bring the matter before the membership during the next Annual Member Meeting for discussion and action. If the decision of the membership reverses or modifies the decision of the Board of Directors, it shall not affect the validity of any action already taken or omitted in the reliance on the Board's decision.

ARTICLE XIV

AMENDMENTS AND RULES OF ORDER

Section 1. Amendments

These By-Laws may be amended, repealed, or altered, either in whole or in part, by a two-thirds (2/3) vote of school members present and voting at a duly organized meeting of the Association, regular or special, provided the proposed change has been filed with the Secretary or the Executive Director at

least sixty (60) days in advance of the meeting date, and a notice of such proposed amendment, with a copy thereof, shall have been mailed, or sent electronically to the entire membership of the Association for a fifteen (15) day comment period. The final version of the proposed amendment will be sent to the entire membership not less than thirty (30) days in advance of such meeting which is to consider the change.

ARTICLE XV

ADOPTION

These By-Laws were duly adopted by vote of the school members of the Association on November, 6, 2016.