

TO: The Board of Directors of The Appraisal Institute

FROM: Appraisal Institute Professionals

RE: Exposure of Proposed Bylaws Amendments and Policy Change Recommendations/45-Day Notice on Vice President Election Process Project Team (VPEPPT) Recommendations

First, we want to thank the VPEPPT for their time and for their recommendations to improve the existing Vice President Selection Process.

The proposed recommendations are:

- That NNC members may serve again on the NNC after at least four (4) years have passed, instead of six (6) years, to widen the pool of potentially eligible individuals from each Region.
- That NNC members may serve on national committees except the Audit Committee and the Strategic Planning Committee. However, NNC Members may not serve as national committee chairs.
- That petitions for additional nominations should be based on a minimum of 30% of voting members of the Board.
- That rationale in support of a petition for additional nominations should be provided to the Board.
- That input on VP candidates and nominees may be received only from Designated Members, Candidates for Designation and Practicing Affiliates.

Our concerns and input follow:

- First, the NNC selection process has been working as intended and does not need any changes. The Regions have been successfully selecting independent, objective, and impartial NNC members and alternates resulting in a process that works as it was intended. Nothing needs to be done to change the pool of potential committee members, no additional training is needed, and no other changes need to be made.
- Second, the petition process is flawed and needs to be changed. The proposed change to require 30% of the voting Board members or 8+/- Board members to bring a petition is inadequate. We believe a majority of the Board should be required to invoke a petition process.
- In the past, the petition process may have been started by some for reasons not in the best interest of the AI as a whole. Invoking the petition process can have far reaching and detrimental effects on a candidate/Member's life and

livelihood as well as the organization as a whole. It should not be taken lightly as it can seriously damage a person's and the AI's reputation. Therefore, to prevent the petition process from being weaponized and to promote transparency, the rationale and support for any petition as well as the names of petition signatories should be provided to all members of the AI and the Board members.

- Lastly, it is important to listen to all stakeholders as well as AI Members. The NNC (and Board in the event of a petition) should have the ability to understand the view of any person that takes time to write a letter. As is the case now, this should be true whether it be AI-related (members, chapters, regions, staff, employees, independent contractors, etc.) input relating to Candidates for leadership, or correspondence from the broader valuation or social community. *How can we expect the President of the AI to collaborate with and lead the entire valuation profession, but not accept broad input from other appraiser-related organizations, regulators, government agencies, and individuals at the time they are elected?*
- Additionally, candidates often serve in their communities on local boards, commission, or public agencies, serve on National or Federal boards, commissions, agencies, or participate in activities with others. These parties may also be able to provide relevant comments relating to the candidate's character, reputation, and ability to lead.

We are not addressing the changes to the policies and procedures at this time because the Bylaw changes are more pressing and if the current recommendations are altered, then these proposed policies and procedures changes would as well.

Thanks for your time and consideration.

Sincerely,

We, the undersigned.

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