



**BYLAWS
Of The
NAILBA CHARITABLE FOUNDATION**

Article 1. *Name.* The name of this non-profit corporation is the NAILBA Charitable Foundation, hereinafter referred to in these Bylaws as the “Foundation.”

Article 2. *Organization.* The Foundation is a “supporting organization” as said term is defined in Section 509(a)(3) of the Internal Revenue Code, as revised. Any reference in these Bylaws to any section of the Internal Revenue Code shall be deemed to incorporate by reference the corresponding provisions of any subsequent revision. The supported organization is the National Association of Independent Life Brokerage Agencies (NAILBA) a non-profit corporation exempt from taxation under Section 501(c)(6) of the Internal Revenue Code. The Foundation is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

Article 3. *Purpose.* The purpose of the Foundation is to encourage the charitable work of the NAILBA member agencies as well as industry supporters of NAILBA. The Foundation shall engage in activities which are exclusively charitable, scientific, literary, educational or for the prevention of cruelty to children or animals within the meaning of Section 170(c)(2) of the Internal Revenue Code. The Foundation shall encourage the wholesale brokerage industry to support the community in which it serves. The Foundation will strive to provide financial support to Section 501(c)(3) exempt organizations that improve the wellbeing for those in need in the many communities served by NAILBA member agencies, Allied Members and NAILBA exhibitors/sponsors as a clear demonstration to the community that wholesale brokerage is a caring concerned body.

The Foundation will encourage volunteerism among NAILBA members and provide grant funds to worthy Section 501(c)(3) exempt organizations that serve to enhance the quality of life for those less fortunate, with a special emphasis on those organizations that provide benefits to children. The Foundation is empowered to engage in educational activities in support of its charitable purposes and to provide scholarships and grants to needy individuals and groups.

In order to accomplish the purposes set forth above, the Foundation may receive and accept donations, contributions, gifts, bequests, and devises of money and properties from individuals and others, and transfers of endowment and other funds, properties and assets of charitable, scientific, educational, and private foundations. The Foundation may engage in all activities permitted for a non-profit corporation incorporated under the laws of Virginia and permitted for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

Article 4. *Members.* The Foundation shall have no members.

Article 5. *Contributors.* The Board of Directors may establish classes of contributors to recognize those persons or organizations which provide financial support to the Foundation. The Board of Directors may establish certain benefits for contributors provided that such benefits be limited to benefits permissible under the Internal Revenue Code.

Article 6. *Board of Directors.*

- 1) *General Powers.* The property, affairs and business of the Foundation shall be managed and controlled by its Board of Directors. The Board of Directors may, by general resolution, delegate to officers of the Foundation and to committees, such powers as may be authorized under the laws of Virginia.
- 2) *Number.* The number of Directors shall be eleven (11), or such other number as may be determined by the Board of Directors from time to time. The Board must have a minimum of three directors. One of the directors shall be the Chairman of

the Board of NAILBA. The chief staff officer of NAILBA shall serve as an *ex officio* member of the Foundation Board, without the right to vote.

Article 7. Meetings.

- 1) The Board of Directors may provide by resolution the time and place, whether within or without the Commonwealth of Virginia, for the holding of regular meetings or special meetings of the Board.
- 2) Special meetings of the Board of Directors may be called by, or at the request of, the President who may fix any place, whether within or without the Commonwealth of Virginia, as a place for holding any special meeting.
- 3) *Notice and Quorum.* Notice of any special meeting of the Board of Directors shall be given at least seven (7) days prior thereto by written notice delivered personally, sent by mail, or sent electronically, to each director at his/her address as shown by the records of the Foundation. If by mail, such notice shall be deemed to have been delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by overnight mail or electronically, notice shall be deemed to be delivered when the notice is delivered to the overnight mail company or when notice is posted electronically. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these Bylaws. The presence of a majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

- 4) *Voting.* The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. Directors may attend Board meetings by telephonic or other electronic equipment, or by any other means permitted by law, as long as all persons participating in the meeting can hear each other.
- 5) *Qualifications.* Each Director must be a Principal, Executive or Manager of a NAILBA member agency, NAILBA supporting insurance company, Allied Member, Independent Marketing Organization, or NAILBA exhibitor/sponsor. Should a Director separate from one of these qualifying entities, they will have a grace period of three months during which they may remain a Director, as long as they are actively pursuing employment with a qualifying entity.
- 6) *Terms.* Other than the Chairman of NAILBA, who shall serve as a member of the Board as long as he or she is the Chairman of NAILBA, all other directors shall serve a three year term and shall be eligible for re-election to a second consecutive three year term. Directors who serve as officers of the Foundation shall have their terms as Directors extended until such time as their successors as officers are elected and take office. The terms of directors should be staggered as feasible.
- 7) *Election of Directors.* Each year the Foundation Nominating Committee shall recommend a slate of nominees to fill the positions of outgoing Foundation directors. The Foundation Nominating Committee's slate of nominees shall be submitted to the NAILBA Board of Directors at least 15 days prior to the NAILBA Annual Meeting. The NAILBA Board of Directors will vote on the proposed nominees at the NAILBA Board meeting held in conjunction with the NAILBA Annual Meeting. Only those nominees approved by the NAILBA Board of Directors will be eligible for election as Foundation Board members. At its first meeting after the NAILBA Board meeting at which the Foundation nominees have been considered, the Foundation Board shall elect replacement directors to fill open director positions from the list of Foundation director nominees approved by the NAILBA Board.

- 8) *Compensation.* Directors shall not receive any stated salaries or compensation for services as a member of the Board of Directors. However, nothing herein shall prohibit the Board of Directors from authorizing reimbursement for the expenses of attendance of a Board member at a regular or special meeting of the Board. Further, nothing herein shall be construed to preclude any director from serving the Foundation in any other capacity and receiving reasonable compensation therefore.
- 9) *Action Without a Meeting.* Any action required by law to be taken at a meeting of the Board of Directors, or any action that may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, and waiving the right for meeting, shall be signed by all directors.
- 10) *Vacancies.* Vacancies among the directors, whether caused by resignation, death, removal, or expiration of a term may be filled by the remaining directors at any regular or special meeting. Nominees to fill a vacancy must be approved by the NAILBA Board prior to any election by the Foundation Board.

Article 7. *Officers.*

- 1) *Officer Qualifications.* The officers of the Foundation shall be a President, a Vice President, a Secretary/Treasurer, an Immediate Past President and such other officers as the Board determines are needed to carry out the work of the Foundation. The chief staff officer of NAILBA shall serve as the chief staff officer of the Foundation. Only Foundation Board members shall qualify for election as Foundation officers.
- 2) *Election.* The officers of the Foundation shall be elected annually by the Board of Directors at the Annual Meeting of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his/her successor shall have been duly elected and shall have been qualified.

- 3) *Removal of Officer.* Any officer, elected or appointed by the Board of Directors, may be removed by the Board whenever in its judgment the best interests of the Foundation will be served thereby. Removal of an officer shall require a two-thirds affirmative vote of the directors.
- 4) *Vacancy.* A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.
- 5) *President.* The President shall be the principal officer of the Foundation and shall exercise general guidance over the affairs of the Foundation, its officers, and personnel consistent with the policies established by the Board of Directors. The President may sign all documents including deeds, mortgages, bonds, contracts or other instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, or by these Bylaws, or by statute, to some other officer or agent of the Foundation; and in general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors. The President must be a principal, executive or manager of an agency or Independent Marketing Organization that is a member of NAILBA, and will be deemed to have resigned if, during his/her term, he/she no longer holds such position, except by retirement. The President shall serve for a two year term and may be re-elected for one additional two year term.
- 6) *Vice President.* The Vice President shall serve in the place of the President when the President is absent or unable to act, and shall perform such other duties as may be assigned by the President or the Board of Directors. The Vice President must be a principal, executive or manager of an agency or Independent Marketing Organization that is a member of NAILBA, and will be deemed to have resigned if, during his term, he no longer holds such a position, except by retirement. The Vice President shall serve for a two year term, and may be elected to one additional two year term.
- 7) *Secretary/Treasurer.* If required by the Board of Directors, the Secretary/Treasurer shall give a bond for the faithful discharge of his/her

duties in such sum and with such surety or sureties, as the Board of Directors shall determine. The Secretary/Treasurer must be a principal of an agency or Independent Marketing Organization that is a member of NAILBA, and will be deemed to have resigned if, during his term, he no longer holds such a position, except by retirement. The secretary/treasurer shall work with the chief staff officer and his designees in all financial matters of the foundation. The Secretary/Treasurer shall be responsible for reviewing the custody of all funds and securities of the Foundation; the Secretary/Treasurer shall review the receiving of monies, gifts, grants, and other donations to the Foundation and shall review providing receipts therefore. The Secretary/Treasurer shall supervise all other financial affairs of the Foundation as directed by the board of directors. The Secretary/Treasurer shall serve as Chair of the Budget, Finance and Investment Committee and shall be responsible for working with the chief staff officer and his designee for the preparation of an annual budget and the submission of said budget to the NAILBA Board of Directors for approval. After approval by the NAILBA Board, the Secretary/Treasurer shall submit the Budget to the Foundation Board for approval. The Secretary/Treasurer shall review the administration and oversight of the Foundation's financial records, initiation of an annual audit, and shall review compliance with statutory reporting requirements, tax returns and tax payments. The Secretary/Treasurer shall oversee the keeping of the minutes of the meetings of the Board of Directors and shall review the keeping, preparation, and filing of all other records required by law or by the policies of the Board of Directors. The Secretary/Treasurer shall serve a two year term and may be re-elected to one additional one year term.

- 8) *Immediate Past President.* In the absence of the President or Vice President, the Immediate Past President shall act as President (if the Vice President is also absent) or Vice President. The Immediate Past President shall also perform such other tasks as may be assigned by the Board. The Immediate Past President shall serve for as long as his successor as President serves as President.

- 9) *Chief Staff Officer.* The Chief Staff Officer of NAILBA shall serve as the Chief Staff Officer of the Foundation. The Chief Staff Officer shall supervise the day-to-day operation of the Foundation and perform those duties delegated to him/her by resolution of the Board of Directors. The Chief Staff Officer or designee shall record the minutes of the meetings of the Board of Directors in one or more books provided for that purpose and shall present them to the Secretary for approval prior to distribution. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the Board of Directors or these bylaws, the Chief Staff Officer may execute for the Foundation, any contracts, deeds, mortgages, bonds, or other instruments which the Board of Directors has authorized to be executed, and may accomplish such execution either individually or with the Secretary, or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument. The Chief Staff Officer may vote all securities that the corporation is entitled to vote except as and to the extent the Board of Directors shall vest such authority in a different officer or agent of the corporation. The Chief Staff Officer shall see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation; and perform such other duties as from time to time may be assigned to him/her by the President or the Board of Directors.
- 10) *Paid Management.* The Board of Directors shall enter into an Agreement with NAILBA to manage the affairs of the Foundation. NAILBA must keep the books and records of the Foundation separate from those of NAILBA. NAILBA must keep the bank accounts and monies of the Foundation separate from those of NAILBA. The Foundation is authorized to pay NAILBA a mutually agreed amount each month for services rendered in administering the affairs of the Foundation.

Article 8. *Committees.*

1) *Standing Committees.* The Foundation shall have the following Standing Committees:

- a. *Audit Committee.* The NAILBA Audit Committee shall serve as the Audit Committee of the Foundation. The Audit Committee shall be responsible for reviewing the annual audit of the Foundation's financial affairs made by the corporation's firm of certified public accountants. The Audit Committee shall report to the Foundation Board of Directors the results of its evaluation of the audit.
- b. *Budget, Finance and Investment Committee.* The Budget, Finance and Investment Committee shall provide advice and counsel to the Board of Directors on financial matters, including the review of income and expenditures to ensure financial needs and stability. This Committee shall work with the Secretary/Treasurer, the chief staff officer and his designee to present and monitor an annual budget for approval by the NAILBA Board and then the Foundation Board. The Budget, Finance and Investment Committee shall be chaired by the Secretary/Treasurer who will appoint the members of this Committee subject to approval of the Board of Directors. The Committee shall provide advice and counsel to the Board of Directors on investment matters including the periodic review of the Foundation's investment portfolio to ensure financial need and stability for the future, and adherence to the Foundation's investment policy. The Secretary/Treasurer, subject to the approval of the Board of Directors, will appoint the members of this Committee.
- c. *Nominating Committee.* The Nominating Committee shall identify, solicit and evaluate, qualified leadership prospects and nominate the most qualified of these prospects as directors in accord with Article 6. It shall be among the purposes of this Committee to propose nominees who will be representative of the NAILBA membership with respect to geographic location and agency size distribution of member agencies whenever possible. The Immediate Past President will serve as Chair of this

Committee and, subject to the approval of the Board of Directors, appoint the members of this Committee. The Nominating Committee shall submit a list of its proposed nominees to the Chief Staff Officer at least 45 days prior to the NAILBA Annual Meeting.

- d. *Ad Hoc Committees.* The Board, by a majority vote of all Directors, may designate one or more Ad Hoc Committees. The Board will give each Ad Hoc Committee a specific task to perform and a time limit within which to complete the task and submit a report to the Board of Directors. Ad Hoc Committees shall be composed of two or more owners, partners, principals, or managers of NAILBA member agencies, Independent Marketing Organizations, Allied Members, or NAILBA exhibitors/sponsors. Such Committee membership shall not be limited to Directors of the corporation. Individuals employed by NAILBA member agencies may serve on Ad Hoc Committees. Individuals representing other related business entities and related organizations may be asked to participate in Ad Hoc Committees.

2) *Committee Procedures.*

- a. Unless specified above, the President, subject to approval of the Board of Directors, shall appoint one member of each Committee to be Chair of the Committee. A Committee Chair must be the agency principal, executive or manager of a Regular or Provisional member agency of NAILBA, Independent Marketing Organization, Allied Member or NAILBA exhibitor/sponsor.
- b. *Term of Office.* Each member of a Committee shall continue as a member of the Committee until the next annual meeting of the Board of Directors of the Foundation and until his/her successor is appointed, unless the Committee shall be sooner terminated, or unless such member resigns, is removed from such Committee by the Board of Directors, or ceases to qualify as a member thereof.

- c. Vacancies. Vacancies in the membership of any Committee may be filled by appointments made in the same manner as provided in the case of the original appointments.
- d. Chief Staff Officer. The Chief Staff Officer of the Foundation shall be an *ex officio* member of all Committees without the right to vote.
- e. Quorum. Unless otherwise provided in the resolution of the Board of Directors establishing a Committee, a majority of the whole Committee shall constitute a Quorum and the vote of a majority of a Quorum shall be the act of a Committee.
- f. Rules. All Committees shall operate pursuant to Robert's Rules of Order, latest edition.

Article 9. *Establishment of Policies.* The Board of Directors shall establish written policies for the acceptance of contributions, gifts, or bequests; establishment of philanthropic funds; establishment and maintenance of such other funds and/or planned giving vehicles as it may deem appropriate; investment and management of all monies, properties and assets of the Foundation; and distribution of available funds to various organizations qualified to accept gifts from the Foundation. The policies of the Foundation shall require that the Foundation staff, working with the Foundation's auditors prepare an annual report showing monies received by the Foundation and gifts, grants or other donations made by the Foundation.

The Board of Directors, by written policy, shall have the power to establish various types of funds within the Foundation including, but not limited to, philanthropic funds, designated funds, a general unrestricted fund and other types of funds. However, the monies in all such funds must be used for the purposes as established in these Bylaws and in the Foundation's Articles of Incorporation.

Article 10. *Grants*

- 1) *Recipients.* In general, the Foundation shall make grants only to §501(c)(3) organizations that (a) are classified as public charities within the meaning of

- §509 of the Internal Revenue Code, and (b) whose principal activity is the direct provision of substantial nonsectarian charitable services for children and those in need. In addition, no grant shall be made to any charity as to which any director, officer, or employee of the corporation has any substantial interest as a director, trustee, or officer.
- 2) Notwithstanding the preceding limitations, the Board of Directors may approve a grant to a different kind of charity, or to a charity in which a director or officer of the corporation has an interest, provided that the grant is approved by at least 75 percent of the directors, and the amount of the grant does not exceed \$5,000.

Article 11. *Contracts, Checks, Deposits and Funds.*

- 1) *Contracts.* The Board of Directors may authorize any officer(s), agent(s) or employee(s) of the Foundation in addition to the officers so authorized by these Bylaws, to enter into any contract, or execute and deliver any instrument in the name of, and on behalf of, the Foundation, and such authority may be general or confined to specific instances.
- 2) *Checks.* All checks, drafts, all orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Foundation shall be signed by such officer(s), agent(s) or employee(s) of the Foundation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or Chief Staff Officer and countersigned by the President or Vice President of the Foundation.
- 3) *Deposits.* All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositories as the Board of Directors may select.
- 4) *Funds.* The Board of Directors may accept, on behalf of the Foundation, any contribution, gifts, bequests or devise for any of the purposes set forth in the Articles of Incorporation or Bylaws of the Foundation.

Article 12. *Books and Records.* The Foundation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors and of its Committees.

Article 13. *Indemnification.*

1. *Directors and Officers.*

- a) To the extent permitted under the law of the Commonwealth of Virginia, the Foundation shall indemnify any person who was or is a party or is threatened to be made party to any threatened, pending or complete action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Foundation) by reason of the fact that he/she is or was a Director or officer of the Foundation, or is or was serving at the request of the Foundation as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding, if he/she acted in good faith and in a manner he/she reasonably believed to be in, or not opposed to the best interest of the Foundation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interest of the Foundation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

- b) To the extent permitted under the law of the Commonwealth of Virginia, the Foundation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by

or in the right of the Foundation to procure a judgment in its favor by reason of the fact that he/she is or was a Director or officer of the Foundation, or is or was serving at the request of the Foundation as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him/her in connection with the defense or settlement of such action or suit, if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to, the best interest of the Foundation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performances of his/her duty to the Foundation, unless and only to the extent that the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability but in the view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses.

- c) To the extent that any person referred to in paragraphs (a) and (b) of this Section 1 has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to therein or in defense of any claim, issue or matter therein, he/she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.
- d) Any indemnification under paragraphs (a) and (b) of this Section 1 (unless ordered by a court) shall be made by the Foundation only as authorized in the specific case upon a determination that indemnification of the Director or officer is proper in the circumstances because he/she has met the applicable standard of conduct set forth in paragraphs (a) and (b) of Section 1. Such determination shall be made (i) by the Board of Directors by a majority vote of quorum consisting of Directors who were not parties to such action, suit or proceeding, or (ii) if such quorum is not obtainable, or, even if obtainable, a

quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

- e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Foundation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director or officer by or on behalf of whom such expenses are incurred to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Foundation as provided in this Section 1.
- f) The indemnification provided by this Section 1 shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any statute, bylaw, agreement, vote of disinterested Directors or otherwise, both in his/her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director or officer and shall insure to the benefit of the heirs, executors and administrators of such a person.
- g) The Foundation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Foundation, or is or was serving at the request of the Foundation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such, whether or not the Foundation would have the power to indemnify him/her against such liability under the provisions of this Section 1.

2. *Employees and Agents.* The Board of Directors may, by resolution, extend the indemnification provisions of the foregoing Section 1 to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed

action, suit or proceeding by reason of the fact that he/she is or was serving at the request of the Foundation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

Article 13. *Procedures.* The rules of procedure contained in the most recent edition of *Robert's Rules of Order* shall provide the rules of procedure for the Foundation where they are not inconsistent with the provisions of the Articles of Incorporation or these Bylaws.

Article 14. *Amendments to the Bylaws and Articles of Incorporation*

- 1) *Amendments to the Bylaws.* These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a vote of a majority of the Foundation Directors present at any regular or any special meeting, if at least thirty (30) days written notice is given of the intention to alter, amend or repeal or adopt new Bylaws at such meeting and provided further that the proposed alterations, amendments, or revisions have been approved in writing by the Board of Directors of NAILBA prior to any vote on such by the Foundation Board of Directors.
- 2) *Amendments to the Articles of Incorporation* The Foundation Articles of Incorporation may be altered, amended or repealed and new Articles of Incorporation may be adopted by a vote of two thirds (2/3) of the entire Foundation Board of Directors at any regular or any special meeting, if at least thirty (30) days written notice is given of the intention to alter, amend or repeal or adopt new Articles of Incorporation at such meeting and provided further that the proposed alterations, amendments or revisions have been approved in writing by the NAILBA Board of Directors prior to any vote on such by the Foundation Board of Directors.

Article 15. *Conflict of Interest.* The Foundation shall adopt a formal Conflict of Interest Policy. Each year, at the annual meeting, the Board of Directors shall review the

Conflict of Interest Policy and complete a process for disclosing any actual or potential conflicts of interest.

Article 16. *Annual Audit.* The Foundation's financial records shall be audited at least once a year by a firm of certified public accountants retained by the Board of Directors upon the recommendation of the Audit Committee. The results of the audit shall be submitted to the Audit Committee and copies of the audit shall be presented to the Board of Directors together with an analysis of the audit made by the Audit Committee.

Article 17. *Dissolution.* Upon dissolution, the balance of any assets or property of the corporation which remains after payment of all debts and/or obligations will be distributed exclusively for the Foundation's charitable purposes to another organization with similar purposes and activities that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, as revised, as determined by the Internal Revenue Service. The Board of Directors shall select which organization or organizations will receive such distribution or distributions.

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As of February 18, 2020

Unanimously approved