

**BYLAWS  
OF  
WIKIMEDIA ENDOWMENT**

## TABLE OF CONTENTS

		<u>Page</u>
Article I	PRINCIPAL OFFICE	1
Article II	MEMBERSHIP	1
Article III	BOARD OF DIRECTORS	1
	Section 1. Powers	1
	Section 2. Number of Directors; Qualifications and Composition of the Board	1
	Section 3. Limitations on Interested Persons	2
	Section 4. Nominations; Election and Term of Office of Directors	2
	A. Nomination Procedures	2
	B. Term Limits	3
	Section 5. Vacancies	3
	Section 6. Resignation and Removal	3
	Section 7. Regular Meetings	3
	Section 8. Special Meetings	3
	Section 9. Notice	3
	Section 10. Waiver of Notice	3
	Section 11. Quorum	4
	Section 12. Action Without a Meeting	4
	Section 13. Telephone and Electronic Meetings	4
	Section 14. Standard of Care	4
	A. General	4
	B. Investments	5
	Section 15. Inspection	6
	Section 16. Executive Compensation Review	6
Article IV	COMMITTEES	6
	Section 1. Board Committees	6
	Section 2. Advisory Committees	7
	Section 3. Committee Supervision and Reliance	7
	Section 4. Audit Committee	7
	Section 5. Investment Committee	7
	Section 6. Board Governance Committee	8
	Section 7. Meetings	8
	A. Of Board Committees	8
	B. Of Advisory Committees	8
Article V	OFFICERS	8
	Section 1. Officers	8
	Section 2. Election	8
	Section 3. Removal	8
	Section 4. Resignation	9
	Section 5. Vacancies	9
	Section 6. Chair of the Board	9

## TABLE OF CONTENTS

		<u>Page</u>
	Section 7. President	9
	Section 8. Secretary	9
	Section 9. Treasurer	9
Article VI	CERTAIN TRANSACTIONS	9
	Section 1. Loans	9
	Section 2. Self-Dealing Transactions	9
	Section 3. Approval	10
Article VII	INDEMNIFICATION AND INSURANCE	10
	Section 1. Right of Indemnity	10
	Section 2. Approval of Indemnity	10
	Section 3. Advancing Expenses	10
	Section 4. Insurance	11
Article VIII	GRANTS ADMINISTRATION	11
	Section 1. Purpose of Grants	11
	Section 2. Board of Directors Oversight	11
	Section 3. Refusal; Withdrawal	11
	Section 4. Accounting	11
	Section 5. Restrictions on Contributions	11
Article IX	MISCELLANEOUS	12
	Section 1. Fiscal Year	12
	Section 2. Contracts, Notes, and Checks	12
	Section 3. Annual Reports to Directors	12
	Section 4. Required Financial Audits	13
	Section 5. Electronic Transmissions	13
	Section 6. Amendments	13
	Section 7. Governing Law	13

**BYLAWS  
of  
WIKIMEDIA ENDOWMENT**

**ARTICLE I  
PRINCIPAL OFFICE**

The principal office of this corporation shall be located in the city of county of San Francisco, California.

**ARTICLE II  
MEMBERSHIP**

This corporation shall have no voting members, but the Board of Directors may, by resolution, establish one or more classes of non-voting members and provide for eligibility requirements for membership and rights and duties of members, including the obligation to pay dues.

**ARTICLE III  
BOARD OF DIRECTORS**

Section 1. Powers. This corporation shall have powers to the full extent allowed by law. All powers and activities of this corporation shall be exercised and managed by the Board of Directors of this corporation directly or, if delegated, under the ultimate direction of the Board.

Section 2. Number of Directors; Qualifications and Composition of the Board. The number of directors shall be not less than seven (7) nor more than fifteen (15), with the exact authorized number of directors to be fixed from time to time by resolution of the Board of Directors. Persons who are currently employed by or otherwise currently receive compensation from Wikimedia Foundation, a Florida not-for-profit corporation (“WMF”), are not eligible to serve as directors of this corporation. The Board shall consist of the following seats:

(a) One seat shall be held by Jimmy Wales. This director seat shall be referred to as the “Community Founder Director” for so long as Mr. Wales holds it. If at any time Mr. Wales is no longer serving on the Board, then this seat shall automatically convert to an At-Large Director seat, as defined below in paragraph (c) of this Section 2, and filled in accordance with the requirements of that paragraph.

(b) At least a subset of the total number of authorized directors shall be community seats that are reserved for individuals who have both: (i) previously served as directors of WMF, and (ii) can bring the perspectives of the Wikimedia community. These director seats shall be referred to as “Community Directors.” The minimum and maximum number of Community Directors shall be as follows:

1. If the authorized number of directors is between seven (7) and nine (9), there must be at least one (1) but no more than two (2) Community Director seat(s).
2. If the authorized number of directors is between ten (10) and thirteen (13), there must be at least two (2) but no more than three (3) Community Director seats.
3. If the authorized number of directors is fourteen (14) or fifteen (15), there must be three (3) Community Director seats.

(c) The remaining seats shall consist of individuals who have fundraising and/or financial expertise. In electing these directors, the Board shall also strive to consider whether the candidate would contribute one or more of the following attributes to the composition of the Board: passion about free knowledge; ability to make significant contributions to the work of the Board; and commitment to diversity, equity, and inclusion. These director seats shall be referred to as “At-Large Directors.”

Section 3. Limitations on Interested Persons. At all times, not more than fifteen percent (15%) of the directors of this corporation may be interested persons. An interested person means either:

(a) any person currently being compensated by this corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director in his or her capacity as director; or

(b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 4. Nominations; Election and Term of Office of Directors. The directors then in office shall elect their successors, which must be approved by at least two-thirds of the directors then in office. Directors shall be elected from among the nominated candidates, nominated according to procedures below. Each director shall be elected for a term of three (3) years, subject to term limits as described below. Each director shall hold office until the expiration of the term to which elected and until a successor has been elected.

A. Nomination Procedures. The Board Governance Committee (established pursuant to Article IV, Section 6, of these Bylaws) shall be responsible for nominating candidates for election or re-election as directors of this corporation. The Board Governance Committee will consult with the WMF Board of Trustees regarding any proposed nominations and consider any views received from the WMF Board of Trustees within 14 days of such proposal; however, the Board Governance Committee of this corporation shall in its sole discretion determine the nominated candidates. In making nominations, the Board Governance Committee shall aspire to have a Board that represents a diversity of geographies, backgrounds, races/ethnicities, gender identities, ages, points of view, and interests. The Board Governance Committee shall also observe the director qualification requirements set forth in Section 2 of this Article. A director

who is being considered for nomination shall not participate in the Board Governance Committee's deliberations on their nomination.

B. Term Limits. Except for the Community Founder Director, a director may serve up to three (3) terms, after which that director may not serve on the Board at any future time. If a director's initial term is less than three (3) years because the director was elected to fill the unexpired portion of the term of a director whose seat was vacated for any reason, such initial term shall not be deemed a term for purposes of this term limit. The Community Founder Director may serve consecutive terms without limit.

Section 5. Vacancies. A vacancy shall be deemed to exist on the Board in the event that the actual number of directors is less than the authorized number for any reason. Vacancies may be filled by the vote of two-thirds of the remaining directors for the unexpired portion of the term. In the event of a vacancy, the Board may continue doing business as a Board to conduct its affairs in the normal course while taking reasonable efforts to fill vacancies without unnecessary delay.

Section 6. Resignation and Removal. Resignations shall be effective upon receipt in writing by the Chair of the Board (if any), the President, the Secretary, or the Board of Directors of this corporation, unless a later effective date is specified in the resignation. A majority of the directors then in office may remove any director at any time, with or without cause.

Section 7. Regular Meetings. Regular meetings of the Board of Directors shall be held at least twice a year. Regular meetings shall be called by the Chair of the Board (if any), the President, or any two directors, and noticed in accordance with Section 9 of this Article.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the Chair of the Board (if any), the President, or any two directors, and noticed in accordance with Section 9 of this Article.

Section 9. Notice. Notice of any meetings of the Board of Directors shall state the date, place, and time of the meeting and shall be given to each director:

(a) for regular meetings, at least two weeks in advance of such meeting; and

(b) for special meetings, at least four days before any such meeting if given by first-class mail or forty-eight hours before any such meeting if given personally or by telephone, including a voice messaging system, or by other electronic transmission such as e-mail, in compliance with Article IX, Section 5, of these Bylaws.

Section 10. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be valid as though taken at a meeting duly held after proper call and notice, if a quorum is present, and if, either before or after the meeting, each of the directors not present provides a waiver of notice, a consent to holding the meeting, or an approval of the minutes in writing. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed

with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement.

Section 11. Quorum. A minimum of five (5) directors or a majority of the total number of directors then in office, whichever is larger, shall constitute a quorum. Notwithstanding the foregoing, in no event shall the required quorum be less than one-fifth of the authorized number of directors or two directors, whichever is larger. At a meeting at which a quorum is present, the act of at least four (4) directors or a majority of the directors present at such meeting, whichever is larger, shall be the act of the Board of Directors, except as otherwise provided in Article III, Section 4 (electing directors), Section 5 (filling Board vacancies), Section 6 (removing directors) and Section 12 (taking action without a meeting); Article IV, Section 1 (appointing Board Committees); Article VI, Section 3 (approving self-dealing transactions); Article VII, Section 2 (approving indemnification); and Article IX, Section 6 (amending Bylaws), of these Bylaws or in the California Nonprofit Public Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least four (4) directors or a majority of the required quorum for such meeting, whichever is larger.

Section 12. Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent to such action in writing. Such written consents shall be filed with the minutes of the proceedings of the Board, and shall have the same force and effect as the unanimous vote of such directors.

Section 13. Telephone and Electronic Meetings. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other electronic transmission in compliance with Article IX, Section 5, of these Bylaws so long as all of the following apply:

(a) each director participating in the meeting can communicate with all of the other directors concurrently; and

(b) each director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by this corporation.

Section 14. Standard of Care.

A. General. A director shall perform the duties of a director, including duties as a member of any Board Committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(i) one or more officers or employees of this corporation whom the director believes to be reliable and competent as to the matters presented;

(ii) counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or

(iii) a committee upon which the director does not serve that is composed exclusively of any combination of directors or persons described in (i) or (ii), as to matters within the committee's designated authority, provided that the director believes such committee merits confidence;

so long as in any such case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article VI below, a person who performs the duties of a director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

A. Investments. Except with respect to assets held for use or used directly in carrying out this corporation's public or charitable activities, in managing and investing this corporation's investments, the Board shall adhere to the standards set forth in Paragraph A above, and shall consider both the charitable purposes of this corporation, and:

(i) general economic conditions;

(ii) the possible effect of inflation or deflation;

(iii) the expected tax consequences, if any, of investment decisions or strategies;

(iv) the role that each investment or course of action plays within the overall portfolio;

(v) the expected total return from income and appreciation of investments;

(vi) this corporation's other resources;

(vii) the needs of this corporation to make distributions and to preserve capital; and

(viii) an asset's special relationship or special value, if any, to the charitable purposes of this corporation.

Board decisions about an individual investment shall be made not in isolation but rather in the context of this corporation's portfolio of investments as a whole and as a part of an



overall investment strategy having risk and return objectives reasonably suited to this corporation.

The Board shall delegate these investment decisions and the management of its investment funds to this corporation's Investment Committee (established pursuant to Article IV, Section 5, of these Bylaws).

Notwithstanding the above, no investment violates this Section where it conforms to either the intent of the donor as expressed in a gift instrument, or provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to this corporation.

Section 2. Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of this corporation.

Section 3. Executive Compensation Review. In the event that this corporation hires or otherwise compensates the President or the chief executive officer and the Treasurer or chief financial officer, the Board of Directors (or a Board Committee) shall review any compensation packages (including all benefits) of the President or the chief executive officer and the Treasurer or chief financial officer, regardless of job title, and shall approve such compensation only after determining that the compensation is just and reasonable. This review and approval shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of this corporation.

## ARTICLE II COMMITTEES

Section 1. Board Committees. The Board of Directors may, by resolution adopted by a majority of the directors then in office, create any number of Board Committees, each consisting of two or more directors, and only of directors, to serve at the pleasure of the Board. Appointments to any Board Committee shall be by a majority vote of the directors then in office. Board Committees may be given all the authority of the Board, except for the powers to:

- (a) set the number of directors within a range specified in these Bylaws;
- (b) elect directors or remove directors without cause;
- (c) fill vacancies on the Board of Directors or on any Board Committee;
- (d) fix compensation of directors for serving on the Board or any Board Committee;
- (e) amend or repeal these Bylaws or adopt new Bylaws;

- (f) adopt amendments to the Articles of Incorporation of this corporation;
- (g) amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
- (h) create any other Board Committees or appoint the members of any Board Committees; or
- (i) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of this corporation.

Board Committees shall report regularly on their activities to the full Board.

Section 2. Advisory Committees. The Board of Directors may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of directors or non-directors and may be appointed as the Board determines. On matters requiring Board authority, Advisory Committees shall be restricted to making recommendations to the Board or Board Committees, and implementing Board or Board Committee decisions and policies under the supervision and control of the Board or Board Committee. Advisory Committees shall report to the full Board as requested.

Section 3. Committee Supervision and Reliance. If a committee is composed and appointed as required by Section 1 above (concerning Board Committees), it may act with the authority of the Board to the extent and with the scope provided by the Board. Otherwise, the Board of Directors shall remain responsible for oversight and supervision of the committee as an Advisory Committee. If a committee meets the criteria of Article III, Section 14.A.(iii), the individual directors may rely on it in discharging their fiduciary duties as provided in that subsection.

Section 4. Audit Committee. This corporation shall have an Audit Committee whose members shall be appointed by the Board of Directors, and who may include both directors and non-directors, subject to the following limitations: (a) members of the Finance Committee, if any, shall constitute less than one-half of the membership of the Audit Committee; (b) the chair of the Audit Committee may not be a member of the Finance Committee, if any; (c) the Audit Committee may not include any member of the staff, including the President or chief executive officer and Treasurer or chief financial officer; (d) the Audit Committee may not include any person who has a material financial interest in any entity doing business with this corporation; and (e) Audit Committee members who are not directors may not receive compensation greater than the compensation paid to directors for their Board service.

The Audit Committee shall: (a) recommend to the full Board of Directors for approval the retention and, when appropriate, the termination of an independent certified public accountant to serve as auditor; (b) subject to the supervision of the full Board, negotiate the compensation of the auditor on behalf of the Board; (c) confer with the auditor to satisfy the Audit Committee members that the financial affairs of this corporation are in order; (d) review and determine whether to accept the audit; and (e) approve performance of any non-audit services provided to this corporation by the auditor's firm.

Section 5. Investment Committee. This corporation shall have an Investment Committee, which shall be a Board Committee. The Investment Committee shall carry out the investment responsibilities described in these Bylaws and any such other roles and responsibilities delegated to it by the Board. The Investment Committee shall act in accordance with this corporation's investment policies and any committee charter that may apply to it, as may be amended by the Board from time to time.

Section 6. Board Governance Committee. This corporation shall have a Board Governance Committee, which shall be a Board Committee. The Board Governance Committee shall carry out the director nomination responsibilities described in these Bylaws and any such other roles and responsibilities delegated to it by the Board. The Board Governance Committee shall be governed by a committee charter, which may be amended by the Board from time to time.

Section 7. Meetings.

A. Of Board Committees. Meetings and actions of Board Committees shall be governed by and held and taken in accordance with the provisions of Article III of these Bylaws concerning meetings and actions of the Board of Directors, with such changes in the content of those Bylaws as are necessary to substitute the Board Committee and its members for the Board of Directors and its members. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the corporate records.

B. Of Advisory Committees. Subject to the authority of the Board of Directors, Advisory Committees may determine their own meeting rules and whether minutes shall be kept.

The Board of Directors may adopt rules for the governance of any Board or Advisory Committee not inconsistent with the provisions of these Bylaws.

## ARTICLE II OFFICERS

Section 1. Officers. The officers of this corporation shall be a President, a Secretary, and a Treasurer. This corporation may also have, at the discretion of the Board of Directors, a Chair of the Board and such other officers as may be appointed by the Board of Directors. Any number of offices may be held by the same person, except that the Secretary, the Treasurer, or the Chief Financial Officer, if any, may not serve concurrently as the President or Chair of the Board, if any.

Section 2. Election. The officers of this corporation shall be elected by the Board of Directors for such terms as determined by the Board, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment. The Chair of the Board, if any, shall be elected from among the directors then in office. Any officer elected by the Board to hold office *ex officio* by virtue of occupying a specified position within or outside of this corporation, shall serve for a term that coincides with the respective term of that specified position.

Section 3. Removal. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors or by an officer on whom such power of removal may be conferred by the Board of Directors.

Section 4. Resignation. Any officer may resign at any time by giving written notice to this corporation. Any resignation shall take effect on receipt of that notice by any other officer than the person resigning or at any later time specified by that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party.

Section 5. Vacancies. A vacancy in any office for any reason shall be filled in the same manner as these Bylaws provide for election to that office.

Section 6. Chair of the Board. The Chair of the Board, if any, shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 7. President. The President shall be the chief executive officer of this corporation and shall, subject to control of the Board, generally supervise, direct and control the business and other officers of this corporation. The President shall have the general powers and duties of management usually vested in the office of president of this corporation and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 8. Secretary. The Secretary shall supervise the keeping of a full and complete record of the proceedings of the Board of Directors and its committees, shall supervise the giving of such notices as may be proper or necessary, shall supervise the keeping of the minute books of this corporation, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 9. Treasurer. The Treasurer shall be the chief financial officer of this corporation and shall supervise the charge and custody of all funds of this corporation, the deposit of such funds in the manner prescribed by the Board of Directors, and the keeping and maintaining of adequate and correct accounts of this corporation's properties and business transactions, shall render reports and accountings as required, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

### ARTICLE III CERTAIN TRANSACTIONS

Section 1. Loans. Except as permitted by Section 5236 of the California Nonprofit Public Benefit Corporation Law, this corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such director or

officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 2. Self-Dealing Transactions. Except as provided in Section 3 below, the Board of Directors shall not approve, or permit this corporation to engage in, any self-dealing transaction. A self-dealing transaction is a transaction to which this corporation is a party and in which one or more of its directors has a material financial interest, unless the transaction comes within California Nonprofit Public Benefit Corporation Law Section 5233(b).

Section 3. Approval. This corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. This corporation may also engage in a self-dealing transaction if the Board determines, before the transaction, that (a) this corporation is entering into the transaction for its own benefit; (b) the transaction is fair and reasonable to this corporation at the time; and (c) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the director's interest in the transaction, and by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors.

Where it is not reasonably practicable to obtain approval of the Board before entering into a self-dealing transaction, a Board Committee may approve such transaction in a manner consistent with the requirements above; provided that, at its next meeting, the full Board determines in good faith that the Board Committee's approval of the transaction was consistent with the requirements above and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the directors then in office without the vote of any interested director.

#### **ARTICLE IV INDEMNIFICATION AND INSURANCE**

Section 1. Right of Indemnity. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, this corporation shall indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, "agent" shall have the same meaning as in Section 5238(a), including directors, officers, employees, other agents, and persons formerly occupying such positions; "proceeding" shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and "expenses" shall have the same meaning as in Section 5238(a), including reasonable attorneys' fees.

Section 2. Approval of Indemnity. On written request to the Board of Directors in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the proceeding, whether, in the

specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, shall authorize indemnification to the extent permitted thereby.

Section 3. Advancing Expenses. The Board of Directors may authorize the advance of expenses incurred by or on behalf of an agent of this corporation in defending any proceeding prior to final disposition, if the Board finds that:

(a) the requested advances are reasonable in amount under the circumstances;  
and

(b) before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

The Board shall determine whether the undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4. Insurance. The Board of Directors may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, and such insurance may provide for coverage against liabilities beyond this corporation's power to indemnify the agent under law.

## ARTICLE V GRANTS ADMINISTRATION

Section 1. Purpose of Grants. This corporation shall have the power to make grants and contributions and to render other financial assistance for the purposes expressed in this corporation's Articles of Incorporation.

Section 2. Board of Directors Oversight. The Board of Directors shall exercise itself, or delegate, subject to its supervision, control over grants, contributions, and other financial assistance provided by this corporation. The Board shall approve a process for reviewing and approving or declining all requests for funds made to this corporation, which shall require such requests to specify the use to which the funds will be put, and include a mechanism for regular Board review of all grants made. The Board shall similarly approve a process for authorizing payment of duly approved grants to the approved grantee.

Section 3. Refusal; Withdrawal. The Board of Directors, in its absolute discretion, shall have the right to refuse to make any grants or contributions, or to render other financial assistance, for any or all of the purposes for which the funds are requested. In addition, the Board, in its absolute discretion, shall have the right to withdraw its approval of any grant at any time and use the funds for other purposes within the scope of the purposes expressed in this corporation's Articles of Incorporation, subject to any rights of third parties under any contract relating to such grant.

Section 4. Accounting. The Board of Directors shall determine under what circumstances to require that grantees furnish a periodic accounting to show that the funds granted by this corporation were expended for the purposes that were approved by the Board.

Section 5. Restrictions on Contributions. Unless otherwise determined by resolution of the Board of Directors in particular cases, this corporation shall retain complete control and discretion over the use of all contributions it receives, subject only to any charitable trust restrictions that apply to such contributions, and all contributions received by this corporation from solicitations for specific grants shall be regarded as for the use of this corporation and not for any particular organization or individual mentioned in the solicitation.

## ARTICLE VI MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of this corporation shall end each year on June 30.

Section 2. Contracts, Notes, and Checks. All contracts entered into on behalf of this corporation must be authorized by the Board of Directors or the person or persons on whom such power may be conferred by the Board from time to time, and, except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of this corporation shall be signed by the person or persons on whom such power may be conferred by the Board from time to time.

Section 3. Annual Reports to Directors. The chief executive officer shall furnish an annual written report to all directors of this corporation containing the following information about this corporation's previous fiscal year:

(a) the assets and liabilities, including the trust funds of this corporation, as of the end of the fiscal year;

(b) the principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) the revenue or receipts of this corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

(d) the expenses or disbursements of this corporation, for both general and restricted purposes, for the fiscal year; and

(e) any transaction during the previous fiscal year involving more than \$50,000 between this corporation (or its parent or subsidiaries, if any) and any of its directors or officers (or the directors or officers of its parent or subsidiaries, if any) or any holder of more than ten percent of the voting power of this corporation or its parent or subsidiaries, if any, or any of a number of such transactions in which the same person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than \$50,000, as well as the amount and circumstances of any indemnifications or advances

aggregating more than \$10,000 paid during the fiscal year to any director or officer of this corporation. For each transaction, the report must disclose the names of the interested persons involved in such transaction, stating such person's relationship to this corporation, the nature of such person's interest in the transaction and, where practicable, the value of such interest.

The foregoing report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of this corporation that such statements were prepared without an audit from the books and records of this corporation. The report and any accompanying material may be sent by electronic transmission in compliance with Section 5 of this Article.

Section 4. Required Financial Audits. This corporation shall obtain a financial audit on an annual basis. Whether or not they are required by law, any audited financial statements obtained by this corporation shall be made available for inspection by the Attorney General and the general public within nine months after the close of the fiscal year to which the statements relate, and shall remain available for three years (a) by making them available at this corporation's principal, regional, and district offices during regular business hours; and (b) either by mailing a copy to any person who so requests in person or in writing or by posting them on this corporation's website.

Section 5. Electronic Transmissions. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile or email, provided (a) for electronic transmissions from this corporation, this corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (b) for electronic transmissions to this corporation, this corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (c) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

Section 6. Amendments. Proposed amendments to these Bylaws shall be submitted in writing to the directors at least one week in advance of any Board meeting at which they will be considered for adoption. The vote of two-thirds of the directors then in office or the unanimous written consent of the Board of Directors shall be required to adopt a Bylaw amendment.

Section 7. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Public Benefit Corporation Law as then in effect shall apply.