



SPRINGVILLE *Center* *for the* ARTS

BY-LAWS - draft
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I. NAME AND OFFICES

The name of this organization shall be Springville Center for the Arts Inc. The organization is a charitable corporation as that term is defined by the Non-Profit Corporation Law of New York State. The principal office of this corporation shall be in the Village of Springville, New York.

II. PURPOSE

Springville Center for the Arts is a multi-arts center that actively engages people from our community, our region, and beyond through performances, exhibitions, education and other arts programs. As a catalyst for creative inspiration and development, Springville Center for the Arts encourages direct participation in the arts by all segments of our community.

III. MEMBERSHIP

1. The organization shall have one class of membership. The Board of Directors may establish criteria and qualifications for membership, including a schedule of dues. Any person or organization meeting those criteria is considered a member upon payment of the annual dues to the Organization. The Membership year is for a period of twelve months beginning on the date when the dues are received. Members shall have the right to vote, hold office, serve on the Board or serve on a committee. Membership is automatically conferred on all members of a household 18 years of age or older where dues are current.
2. A meeting of the Members entitled to vote shall be held for the election of Directors and the transaction of business in the month of September of each year.
3. Special Meetings of the Members entitled to vote may be called at any time by the President, or a majority vote of the Board of Directors or upon the written request of at least ten (10) percent of the qualified voting Members of the Corporation. No business shall be conducted at a Special Meeting that is not included in the issued Notice.
4. The Board will send written or e-mailed notice to all members in good standing at least ten (10) days in advance of any member meeting date. The notice will state the purposes for which the meeting is being called and any nominations to the Board.

5. Members entitled to vote at any Meeting of the Members shall be as of the record date of ten (10) days before the date of the meeting.
6. At any duly called Meeting of the Membership, ten percent (10%) of eligible voting Members shall constitute a quorum.
7. Members of the Board of Directors shall be elected and other corporate action may be taken by a majority of the votes cast **in person** at a meeting of the Membership except as may otherwise be required by law, the Certificate of Incorporation and/or these By-Laws.

IV. BOARD OF DIRECTORS

1. GENERAL MANAGEMENT. The general management and fiduciary responsibility of the affairs of this Corporation shall be vested in a volunteer Board of Directors. The Board of Directors shall have control of the properties of the Corporation and shall determine its policies. It shall have power to employ necessary staff and other resources, authorize expenditures, and take all necessary and proper steps to carry out the purposes of this Corporation and to promote its best interest.

2. BOARD MEMBERSHIP.

2.1. This Board shall consist of nine (9) members of the organization in good standing. The Directors shall represent the interests of the visual and performing arts as well as the community.

2.2. Each Director shall hold office for a term of three years unless filling an appointment. Each year, three (3) Directors' terms shall expire and three (3) Directors shall be elected by the membership. No Director shall serve more than two consecutive elected terms. A Director who first was appointed to fill a vacancy may complete the appointment and then serve two elected terms. A potential Director must wait a period of one year after two consecutive elected terms before re-election or appointment to the Board.

2.3. A nominating committee appointed by the President shall present nominations for vacancies on the Board at the annual meeting. The slate shall consist of a minimum of one (1) nominee for each seat to be filled. The nominees will be listed in the annual meeting notice. Further nominations by the membership will be permitted from the floor.

2.4. Directors may be removed at any time by a vote of two-thirds of the Directors present at a meeting of the Board providing there is a quorum.

2.5. Any Director may resign at any time by giving written notice to the President. In the event of the resignation, death or removal from office of any Director or officer, the President shall appoint an interim Director or officer, subject to the approval of the Board, **who will fill out the remainder of the existing term.** If at any point, the membership of the Board of Directors becomes less than six (6), the President will call an emergency meeting of the entire organization.

3. BOARD MEETINGS.

3.1. Board of Directors meetings will be held monthly at a time and place determined by the Board. Notice of all meetings will be sent electronically or by mail to Directors at least 7 days in advance of any meeting. All members in good standing are welcome at Board meetings. All Board meetings will require a quorum of six (6) Directors in order to vote on any matter of business. Each member of the Board of Directors is entitled to one vote. A simple majority of the Directors present shall be required to carry any vote unless outlined otherwise by law or in these bylaws.

3.2. Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing, **in print or electronically,** to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.

3.3. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence at a meeting.

4. ANNUAL REPORT

4.1. The Board will present an Annual Report to the Membership at the Annual Meeting which includes information on the assets and liabilities of the Corporation and income and expenses during the previous fiscal year.

V. OFFICERS

1. OFFICERS. The Board of Directors shall elect a President, Vice-President, Treasurer, and Secretary for a term of one year from its own membership at a

meeting in September. Any officer may be removed by the Board by a majority vote. In the event of the death, resignation or removal of an officer, the Board shall elect an acting successor to fill the unexpired term. Different offices may not be held by the same person.

2. DUTIES

2.1. President. The President shall be the principal volunteer executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation on behalf of the Board of Directors. He/she shall preside at all meetings of the members and of the Board of Directors. The President shall be an ex-officio member of all committees and shall be given notice of all such meetings. The President, the Vice President, the Secretary, the Treasurer or any other proper Officer of the Corporation authorized by the Board of Directors may sign any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws or by statute to some other Officer or agency of the Corporation. In general, the President shall be the spokesperson for the Board of Directors and shall perform all duties as may be prescribed by the Board of Directors from time to time.

2.2. Vice President. In the absence of the President, or in the event of his/her inability or refusal to act, the volunteer Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him/her by the President and/or the Board of Directors.

2.3 Secretary. The Secretary shall ensure that the minutes of the meetings of the Members, and the Board of Directors and its committees are recorded and maintained in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these by-laws or as required by law, and be custodian of the corporate records of the Corporation. The Secretary shall keep a register of the post office address, telephone number and, where appropriate electronic address of each member and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President-Chair and/or the Board of Directors. In addition, the Secretary shall notify members of their election to office or their appointment to committees and keep a record of the transactions of the Corporation. The Secretary may delegate recording and other duties as he or she may deem appropriate.

2.4 Treasurer. The Treasurer shall be responsible for the supervision of an account of all monies received or expended by the by the Corporation and shall keep the board informed on all pertinent financial matters. The Treasurer shall provide a financial report at all regular meetings of the Board of Directors in a format prescribed by the Board; shall serve as the board's liaison with the independent auditor; and shall serve as a member of the Audit and Finance Committee. In general, the Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

VI. EXECUTIVE DIRECTOR.

The Board of Directors shall employ an Executive Director who will serve as the chief administrative officer of the Corporation and who will serve in a non-voting, ex-officio capacity to the Board of Directors and its committees. He/she shall be responsible for effectuating the purposes of the organization and ensuring proper and compliant implementation of board policies and directives. The Executive Director may hire additional staff personnel at such compensation as maybe authorized by the Board and additional staff personnel at such compensation as may be authorized by the Board and shall perform all other such duties as assigned and established in the Board-approved job description, or by employment contract. The Executive Director serves at the pleasure of the Board of Directors. The Executive Director, with the advice and consent of the Board, may hire independent contractors, consultants, or other agents as may be needed from time to time.

In the event of emergency, where the Executive Director is not available or incapacitated, and there is an urgent need to conduct the business of the corporation, the President will hold such authority until an Interim Executive Director is appointed and approved by the Board.

VII - COMMITTEES

1. COMMITTEE TYPES. The Board of Directors may permissibly charge committees to perform various functions on behalf of The Corporation in either of the two (2) available types: Committees of the Board and Committees of the Corporation. Each Committee of the Board and Committee of the Corporation, and every member thereof, shall serve at the pleasure of the Board. All Committees shall keep minutes of all proceedings, to be regularly submitted to the Secretary for subsequent

distribution to the Entire Board, and report to the Board, at its next scheduled Regular Meeting, all activities and determinations.

2. COMMITTEES OF THE BOARD. There are no committees of the Board as defined in New York State Law where committees have the authority to take legally binding action without Board approval.

3. COMMITTEES OF THE CORPORATION. Committees of the Corporation shall be comprised of at least three (3) members of the organization appointed by the Board and shall either have standing authority or may be designated specific authority from time-to-time by the Board. Committees of the Corporation are advisory in nature and cannot, under any circumstances, take actions that bind the Board and/or The Corporation.

3.2. PROGRAMMATIC COMMITTEES. Programmatic Committees meet regularly as needed and advise staff on implementation of programming, train and cultivate new members and volunteers and provide artistic guidance. The Executive Director or their assign is an ex-officio member of all programmatic committees and is ultimately responsible for the artistic direction of the Arts Center and the implementation of programs. The Board may assign a Board Liaison who is an ex-officio member of the committee.

3.2.1. QUALIFICATIONS. All programming committee members must be current members of the organization in good standing. Committee members are appointed annually by the Board or as needed. Committee members elect their Chair.

3.2.2. THEATER COMMITTEE: The Theater Committee facilitates the performance of theater productions. The Committee and the Executive Director both must approve the season of major theater events produced by the organization.

3.2.3. GALLERY COMMITTEE: The Gallery Committee facilitates the use of gallery space for exhibits, education and other visual arts events. The Committee and the Executive Director both must approve the schedule of major exhibits within the Olmsted Gallery.

3.2.4. PRESENTATION COMMITTEE: The Presentation Committee facilitates the presentation of additional arts programs including concerts and cinema, and helps to provide technical support to the facilities.

3.3. STANDING COMMITTEES

3.3.1. BUILDING COMMITTEE. The Building Committee shall assist in the maintenance of the organization's facilities by regularly analyzing maintenance needs and creating an annual report to the Board.

3.3.2. AUDIT AND FINANCE COMMITTEE. The Audit and Finance Committee shall be comprised solely of members of the Board of Directors. In no circumstances is the Independent Auditor, or an employee or relative of the Independent Auditor's firm, to serve on the Committee. The Audit and Finance Committee shall be responsible for overseeing the audit, if required, both internal and external, of the fiscal affairs of the Corporation. The Committee shall develop a budget for approval by the Board of Directors, propose policies governing the finances of the Corporation for adoption by the Board, review any and all audits of the Corporation or any of its programs or contracts performed, and shall respond in writing, subject to approval of the Board of Directors, to such audits, including the management letter, stating any and all remedies to deficiencies or improvements in fiscal policies and procedures cited or recommended.

3.3.3. NOMINATING COMMITTEE. The Nominating Committee is comprised solely of members of the Board of Directors. The Committee recommends Board members for Annual Elections, and committee members for all of the standing committees.

3.4. AD HOC COMMITTEES: The Board of Directors shall establish such committees as may be necessary or advisable to aid the Board in conducting the business of the organization. A Chairperson shall be chosen by the Board and shall report regularly to the Board of Directors.

4. COMMITTEE MEETINGS. Meetings of committees, of which no formal notice shall be necessary, shall be held at such time and place as may be fixed by the Chair of the applicable Committee or by majority vote of the members of the committee.

5. QUORUM. Unless otherwise provided by resolution of the Board of Directors, a majority (50% +1) of all of the members of a committee shall constitute a quorum for the transaction of business and the vote of a majority of all of the members of the committee shall be the act of the committee. The procedures and manner of acting of all committees shall be subject at all times to the direction of the Board.

VII. - STATUTORY COMPLIANCE

1. **DEFINITIONS.** Should any term, phrase or understanding relative to any topic addressed in these By-Laws and/or the policies of the Corporation be specifically defined in be defined in Appendix "A." of these By-Laws the stipulated definition of such term shall govern for purposes of interpreting the By-Laws and/or corporate policies.

2. **CONFLICTS OF INTEREST & RELATED PARTY TRANSACTION PROTOCOLS.** The Board shall adopt, and at all times honor, the terms of a written Conflicts of Interest & Related Party Transaction Policy to assure that its Directors, Officers and Key Persons act in the Corporation's best interest and comply with applicable statutory, regulatory, and ethical requirements. The Conflicts of Interest & Related Party Transaction Policy shall include, at a minimum, the following provisions:

- i. *Procedures.* Procedures for disclosing, addressing and documenting by the Board of Directors, or an authorized committee thereof, as appropriate:
 - (a) Conflicts of Interest;
 - (b) Possible Conflicts of Interest for a determination as to whether a conflict exists; and
 - (c) Related Party Transactions.
- ii. *Restrictions.* Stipulations that when the Board of Directors, or an authorized committee, as appropriate, is considering a real/potential conflict of interest, the interested party shall not:
 - (a) Be present at, or participate in, any deliberations;
 - (b) Attempt to influence deliberations; and/or
 - (c) Cast a vote on the matter.
- iii. *Definitions.* Definitions of circumstances that could constitute a Conflict of Interest and/or Related Party Transaction.
- iv. *Documentation.* Requirements that the existence and resolution of the conflict and/or transaction be documented in the records of the Corporation, including in the minutes of any meeting at which the conflict was discussed or voted upon; and
- v. *Audit-Related Disclosure.* Protocols to assure for the disclosures of all real or potential Conflicts of Interest and/or Related Party Transaction are properly forwarded to the Board of Directors, or another authorized committee, as appropriate, for purposes of audit-related consideration.

3. **CONFLICTS OF INTEREST & RELATED PARTY TRANSACTION CONFLICTS POLICY.** The Conflicts of Interest and Related Party Transaction Policy of the Corporation, required in order to comply with the mandates of Section 2 of this

Article, is annexed hereto and made a part hereof as Appendix "B." This policy may only be amended, modified, or repealed by a two-thirds majority vote of the Board of Directors present at any Annual Meeting, Regular Meeting or Special Meeting called for that purpose with the change in policy to not be applicable to any pending or currently being reviewed real or potential conflicts of interest or Related Party Transaction.

4. POTENTIAL CONFLICTS DISCLOSURE STATEMENT. The Potential Conflicts Disclosure Statement of the Corporation, required in order to comply with the mandates of Section 2 of this Article, is annexed hereto and made a part hereof as Appendix "C."

5. WHISTLEBLOWER PROTECTION PROTOCOLS. The Corporation shall endeavor to protect any "Director," "Officer" (each as defined by Appendix "A") or employee, including any "Key Person" (as defined by Appendix "A") or volunteer who provides substantial services to the Corporation, from intimidation, bully, harassment, discrimination or other forms of retaliation on the part of the Corporation, or any of its Directors, Officers, employees, including Key Persons, or volunteers, as a consequence of the good-faith filing of a report relative to possible violations of any statute, regulation, applicable ethical standard or policy or procedure of the Corporation. Should the Corporation have twenty (20) or more employees (full-time, part-time, or a combination thereof) and annual revenue exceeding one million dollars (\$1,000,000), and/or, otherwise, be mandated by other applicable statute, regulation and/or contractual obligation, the Corporation shall adhere to the terms of a written Whistleblower Protection Policy, which, in the absence of such considerations, shall be considered advisable, but not required.

6. WHISTLEBLOWER PROTECTION POLICY. The Whistleblower Protection Policy of the Corporation, required in order to comply with the mandates of Section 5 of this Article, is annexed hereto and made a part hereof as Appendix "D." This policy may only be amended, modified or repealed by a two-thirds majority vote of the Board of Directors present at any Annual Meeting, Regular Meeting or Special Meeting called for that purpose with the change in policy to not be applicable to any threatened, pending or currently being investigated whistleblower claim.

7. AUDIT OVERSIGHT PROTOCOLS. Provided the Corporation is required pursuant to stipulated statutory thresholds dictated by revenue annually received and/or other applicable regulation and/or contractual obligation, demanded by the Office of the Attorney General, requested by another regulatory agency or funder as a condition of funding, or otherwise recommended and authorized by the Board of Directors, the accounts of the Corporation shall be subject to an annual audit report or audit review report prepared by "Independent Auditor" (as defined by Appendix "A") to

be overseen by a designated Audit or combined Audit & Finance Committee of the Board (as appropriate), comprised solely of "Independent Directors" (as defined by Appendix "A"). If such an audit report or audit review is commissioned, the Corporation shall adhere to the terms of a written Audit Oversight Policy, which, in the absence of statutory obligation, shall be considered advisable, but not required.

8. AUDIT OVERSIGHT POLICY. The Audit Oversight Policy, required in order to comply with the mandates of Section 7 of this Article, is annexed hereto and made a part hereof as Appendix "E." This policy may only be amended, modified or repealed by a two-thirds majority vote of the Board of Directors present at any Annual Meeting, Regular Meeting or Special Meeting called for that purpose with the change in policy to not be applicable to any pending or currently processing audit report or audit review.

IX - FUNDAMENTAL CORPORATE CHANGES

1. BYLAW AMENDMENT. These Bylaws may be amended or altered at any Meeting called for that Purpose, providing such Meeting meets the requirements set forth in these By-Laws, by a two-thirds (2/3) majority vote of each the Board of Directors and those entitled to cast ballots for a resolution of the Membership.

2. CERTIFICATE OF INCORPORATION. An amendment, repeal or alteration of the Corporation's Certificate of Incorporation shall be authorized by a two-thirds (2/3) majority vote of each the Board of Directors and those entitled to cast ballots for a resolution of the Membership, at any Meeting called for that Purpose, providing such Meeting meets the requirements set forth in these By-Laws.

3. MERGER OR CONSOLIDATION. The Merger or Consolidation of this Corporation shall be authorized, by a two-thirds (2/3rds) majority vote of each the Board of Directors and those entitled to cast ballots for a resolution of the Membership at any Meeting called for that Purpose, providing such Meeting meets the requirements set forth in these By-Laws, and shall become effective once all statutory approvals are subsequently secured and the applicable Certificate of Merger or Consolidation is accepted for filing by the New York State Department of State.

4. DISSOLUTION.

4.1 Procedure. The Dissolution of this Corporation shall be authorized by a two-thirds (2/3) majority vote of each the Board of Directors and those entitled to cast ballots for a resolution of the Membership, at any Meeting called for that Purpose,

providing such Meeting meets the requirements set forth in these By-Laws, and shall become effective once all statutory approvals are subsequently secured and the applicable Certificate of Dissolution is accepted for filing by the New York State Department of State.

4.2. Residual Assets. As part of the process of obtaining a corporate Dissolution, the Corporation shall endeavor to insure that any residual corporate assets shall be donated to another tax-exempt, not-for-profit organization with purposes similar to those of this Corporation and use its best efforts to have same authorized by all regulatory agencies and the Courts.

5. LEASE AND SALE OF REAL PROPERTY. In any transaction where the organization endeavors to purchase, mortgage, sell or lease real property of the organization, it will first determine if such transaction constitutes a disposition of "all or substantially all" of its assets and if so shall obtain the consents and permissions required by Not-for-Profit Corporation Law of the State of New York Section 509, 510 or these Bylaws by way of either Not-for-Profit Corporation Law of the State of New York Section 511 or 511-a. In any event where real property is disposed of, same shall not occur except with the consent of a two-thirds (2/3) majority vote of the entire Board at a Regular or a Special Meeting called for that purpose.

V. INDEMNIFICATION OF DIRECTORS

Each member of the Board of Directors of Springville Center for the Arts Inc. shall be entitled as of right to indemnification by Springville Center for the Arts Inc. against all expenses, including attorney's fees, judgments, claims and amounts paid in settlement arising from any claim or proceeding relating to his or her status as Board Member to the fullest extent now or hereafter permitted by the Articles of incorporation of Springville Center for the Arts Inc., the laws of the State, and these By-Laws.

APPENDIX A
Bylaw & Corporate Policy Definitions

1. Affiliate: Any entity controlled by, or in control of, the Corporation.
2. Charitable Corporation: Any Not-for-Profit Corporation formed, or deemed to be formed, for charitable purposes, including those formerly considered by the Not-for-Profit Corporation Law to be Type "B" or "C" Corporations, as well as former Type "D" with Charitable purposes.
3. Director: Any member of the governing board of the Corporation, whether designated as director, trustee, manager, governor, or by any other title.
4. Entire Board: The total number of Directors entitled to vote which the Corporation would have if there were no vacancies. If the By-Laws provide that the Board shall consist of a fixed number of Directors, then the "Entire Board" shall consist of that number of Directors. If the By-Laws provide that the Board may consist of a range between a minimum and maximum number of Directors, then the "Entire Board" shall consist of the number of Directors within such range that were elected as of the most recently held election of Directors, as well as any Directors whose terms have not yet expired.
5. Independent Auditor: Any Certified Public Accountant performing the audit of the financial statements of the Corporation who is not, nor is any member of his/her firm, an Officer, Director, employee or volunteer of the Corporation or has a Relative who is such an individual.
6. Independent Director: A Director who:
 - i. is not, and has not been within the last three (3) years, an Employee or Key Person of the Corporation or an Affiliate of the Corporation and does not have a Relative who is, or has been within the last three (3) years, a Key Person (as defined by these By- Laws) of the Corporation or an Affiliate;
 - ii. has not received, and does not have a Relative who has received, in any of the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation or an Affiliate (other than reimbursement for expenses reasonably incurred as a Director or reasonable compensation for service as a Director if permitted by statute and regulation;
 - iii. is not a current employee of or does not have a substantial financial interest in, and does not have a Relative who is a current Officer of or has a substantial financial interest in, any entity that has provided payments, property or services to, or received payments, property or services from, the Corporation, or an Affiliate of the Corporation, if the amount paid by the Corporation or the entity, or received by the Corporation from the

entity for such property or services, in any of the last three (3)-fiscal years, exceeded:

1. the lesser of ten thousand dollars (\$10,000) or two percent (2%) of such entity's consolidated gross revenue, if the entity's consolidated gross revenue was less than five hundred thousand dollars (\$500,000);
 2. twenty-five thousand dollars (\$25,000), if the entity's consolidated gross revenue was five hundred thousand dollars (\$500,000) or more, but less than ten million dollars (\$10,000,000); or
 3. one hundred thousand dollars (\$100,000), if the entities consolidated gross revenue was ten million dollars (\$10,000,000), or more.
- iv. is not and does not have a Relative who is a current owner, whether wholly or partially, Director, Officer or Employee of the Corporation's outside auditor or who has worked on the Corporation's audit at any time during the past three (3) years;
- For purposes of this definition, the term "compensation" does not include reimbursement for expenses reasonably incurred as a Director or reasonable compensation for service as a Director.
 - For purposes of this definition, the term "payment" does not include charitable contributions, dues or fees paid to the Corporation for services which the Corporation performs as part of its nonprofit purposes, or payments made by the Corporation at fixed or non-negotiable rates or amounts for services received, provided that such services by and to the Corporation are available to individual members of the public on the same terms, and such services received by the Corporation are not available from another source.
7. Key Person: Any person, other than a Director or Officer, whether or not an Employee of the Corporation who:
- i. Has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of Directors and Officers;
 - ii. Manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or
 - iii. Alone, or with others, controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.
8. Member: Any person afforded rights, entitlements or obligations with respect to the governance and operations of The Corporation, as identified in the By-Laws and/or the Certificate of Incorporation, as may be amended. For instance, if a Membership is authorized to elect Directors or approve By-Laws changes.

9. Non-Charitable Corporation: Any Not-for-Profit Corporation formed, or deemed to be formed, for other than the purposes of a Charitable Corporation, including, but not limited to one formed for any one, or more of the following non-pecuniary purposes: civic, patriotic, political, social, fraternal, athletic, agricultural, horticultural, or animal husbandry, or for the purpose of operating a professional, commercial, industrial, trade or service association, including those formerly considered by the Not-for-Profit Corporation Law to be Type "A" Corporations, as well as former Type "D" with Non-Charitable purposes.
10. Officer: Any director, trustee, manager, governor, or by any other title, any individual holding an office of the Corporation identified in the Certificate of Incorporation and/or By- Laws.
11. Relative: Means a spouse, domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and/or great-grandchildren.

APPENDIX B—Board of Directors Conflicts of Interest Policy & Related Party Transactions Policy

1. Policy Requirements

Any real or potential “Conflict of Interest” and/or “Related Party Transaction” (each as defined herein) and any other interested matter must be addressed in accordance with the terms of this Board of Directors Conflicts of Interest and Related Party Transactions Policy. Any Conflict of Interest and/or Related Party Transaction, or any other interested matter, authorized in a manner that is materially inconsistent with the terms of this policy may be subsequently rendered void or voidable by a vote of a majority of the Board of Directors, excluding any Directors with an interest in the subject transaction or matter.

2. Definitions

- a. Conflict of Interest — Unless otherwise specifically excluded herein, a “Conflict of Interest” means any transaction, agreement or any other arrangement, including, but not limited to a “Related Party Transaction,” as defined herein, between this Corporation and another individual or entity that confers a direct, substantial benefit to any Related Party, as defined herein. The assessment of, and any determination concerning any Conflict of Interest must be considered in strict compliance with the adopted policies and procedures of The Corporation.

- b. Related Party Transaction — Unless otherwise specifically excluded herein, a “Related Party Transaction” means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Corporation, or any Affiliate, is a participant. The following circumstances shall not be considered a Related Party Transaction for purposes of interpretation of this definition or consideration of a Related Party Transaction by the Board of Directors:
 - i. the transaction, or the Related Party’s financial interest in the transaction is *de minimis*;
 - ii. the transaction would not customarily be reviewed by the Board, or Boards of similar organizations, in the ordinary course of business and is available to others on the same or similar terms; or
 - iii. the transaction constitutes a benefit provided to a Related Party solely as a member of a class of the beneficiaries that the Corporation intends to

benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

The assessment of, and any determination concerning, any Related Party Transaction, must be considered in strict compliance with the adopted policies and procedures of the Corporation.

c. Related Party — A "Related Party" means any:

- i. Officer (of the Corporation or any Affiliate), as defined by statute;
- ii. Director (of the Corporation or any Affiliate), as defined by statute;
- iii. Key Person (of the Corporation or any Affiliate), as defined by statute;
- iv. Founder of the Corporation;
- v. Individual who has made substantial monetary contributions to the Corporation;
- vi. Relative, as defined by statute, of an Officer, Director, Key Person, founder or substantial contributor;
- vii. Entity where an Officer, Director or Key Person, founder or substantial contributor or a Relative thereof, directly or indirectly, holds a thirty-five percent (35%), or greater, ownership or beneficial interest; or
- viii. Partnership or professional corporation where an Officer, Director or Key Person, founder or substantial contributor or a Relative thereof, directly or indirectly, has an ownership interest in excess of five percent (5%).

3. General Disclosure

Prior to initial election, and annually thereafter, each Director shall be required to complete, sign and submit to the Secretary, or an authorized designee, as appropriate, a written statement identifying, to the best of the Director's knowledge, any entity of which such Director is an officer, director, trustee, owner (either as a sole proprietor, partner or member) or employee and with which The Corporation has a relationship, and any transaction in which The Corporation is a participant and in which the Director

might have a real or potential interest. The Secretary shall provide a copy of all completed disclosure statements to the Board of Directors, or another authorized committee thereof, as appropriate. A copy of each disclosure statement shall be available to any Director on request.

4. Specific Disclosure

If at any time during his or her term of service, a Director, Officer or Key Person (each as defined by Appendix "A") acquires an interest, or circumstances otherwise arise, which could give rise to a real or potential Conflict of Interest and Related Party Transaction, or any other interested matter, he or she shall promptly disclose, in good-faith, to the Board of Directors, or an authorized committee thereof, as appropriate, the material facts concerning such interest.

5. Process of Review

Unless the Board of Directors elects to directly assume such responsibility, the Audit & Finance Committee, or another designated Committee of the Board, shall thoroughly review any real, or potential, Conflict of Interest or Related Party Transaction, or any other interested matter and submit to the Board a recommendation as whether or not it should be approved.

6. Affiliate Transactions

The current, or prior, service of an Officer, Director or Key Person of this Corporation, or a Relative thereof, all as defined by statute, as an officer, director or employee, or the equivalent thereof, of any corporate entity that is, i) considered to be an Affiliate, as defined by statute; ii) otherwise, controlled by, or controls, this Corporation, and/or; iii) is an Affiliate of any corporate entity controlled by, or that controls, this Corporation, shall not, standing alone, be considered a Conflict of Interest or a Related Party Transaction for purposes of interpretation of the definition of either term or consideration of any such matter.

7. Standard of Review

For purposes of this policy, amongst the considerations of the Board of Directors, the Audit & Finance Committee, or another authorized Committee of the Board, as appropriate, relative to assessment of any real or potential Conflict of Interest and/or Related Party Transaction, shall be the determination as to whether any financial interest, amounts to a Conflict of Interest and/or a Related Party Transaction, each as defined herein. Should any such financial interest be considered a Conflict of Interest and/or a Related Party Transaction, the terms of this "Conflict of Interest and/or Related Party Transaction Policy" shall apply with regard to proper consideration of the

matter. Should the financial interest not amount to a Conflict of Interest and/or Related Party Transaction, as defined herein, the transaction shall be considered an ordinary business matter unworthy of additional non-customary review and/or documentation.

8. Authorization of Conflicts of Interest & Related Party Transactions

The Corporation shall not enter into any matter considered to be a Conflict of Interest and/or a Related Party Transaction, or any other interested matter, unless such a financial transaction, or other matter, is determined by the Board, or an authorized committee thereof, to be fair, reasonable and in The Corporation's best interest at the time of such determination.

9. Authorization of Transactions Concerning Substantial Financial Interest

With respect to any Conflict of Interest and/or Related Party Transaction, or other interested matter, in which a Related Party, or otherwise conflicted individual, has a substantial financial interest, the Board of Directors, the Audit & Finance Committee, or another authorized designated Committee of the Board, as appropriate shall:

- i. Prior to entering into any such transaction, or matter, to the extent practicable, consider alternative transactions and/or a review of information compiled from, at least, two (2) independent appraisals of other comparable transactions;
- ii. Approve the transaction by not less than a two-thirds majority vote of the Directors and/or committee members, as appropriate, present at the meeting; and
- iii. Contemporaneously document the basis for approval by the Board, or authorized committee, as appropriate, which shall include the preparation of a written report, to be attached to the minutes of any meeting where the transaction or matter was deliberated or authorized, identifying the details of the transaction or matter; alternate transactions considered; materials or other information reviewed, Directors, or committee members, present at times of deliberations; names of those who voted in favor, opposed, abstained or were absent; and, the specific action authorized.

10. Restrictions

With respect to any Conflict of Interest and/or Related Party Transaction, or any other conflicted matter, considered by the Board, the Audit & Finance Committee, or another authorized designated Committee of the Board, as appropriate, no Related Party, or otherwise conflicted individual, shall:

- i. Be present at, or participate in, any deliberations;
- ii. Attempt to influence deliberations; and/or
- iii. Cast a vote on the matter.

Nothing herein shall prohibit the Board, or authorized committee, as appropriate, from requesting that a Related Party, or otherwise conflicted individual, present information concerning a Conflict of Interest and/or Related Party Transaction, or any other interested matter, at a Board, or authorized committee thereof, meeting prior to the commencement of deliberations or related voting.

11. Audit-Related Disclosure

It shall be the duty of the Secretary to see to it that all newly-received and annually-submitted Director Disclosure Statements and any case-specific Conflict of Interest and/or Related Party Transaction reports, together the minutes of any related meetings, are promptly provided to the Secretary of the Board of Directors, or the chair an authorized committee thereof, as appropriate, in an effort to assure that they are properly considered for auditing purposes.

APPENDIX C

Code of Ethical Conduct & Annual Potential Conflicts Disclosure Statement

—Code of Ethical Conduct—

This Corporation is committed to maintaining the highest standard of conduct in carrying out our fiduciary obligations in pursuit of our tax-exempt mission and purposes. As such, each and every Director, Officer and Key Person (to the extent applicable) shall adhere to the following code of conduct:

By-Laws & Policies

- Be aware of and fully abide by the By-Laws, policies and procedures of the Corporation;
- Assure corporate compliance with respect to all statutes, regulations and contractual requirements;
- Respect and fully support the duly-made decisions of the Board of Directors in accordance with all applicable fiduciary duties, including those related to care, loyalty and obedience;
- Understand that the Executive Director, as the Corporation's chief administrative officer, has the sole responsibility for the day-to-day management of the Corporation—specifically, including the supervision of personnel—and for implementation of Board policies and directives.

Informed Participation.

- Attend most, if not all, meetings of the Board of Directors and assigned committees;
- Remain informed of all matters that come before the Board and/or assigned committees;
- Respect and follow the "chain of command" of the Board and administration;
- Constructively and appropriately bring to the attention of the Board, Officers, committee chairs and/or appropriate staff any questions, personal views, opinions and comments of significance on relevant matters of governance, policymaking and corporate constituencies;
- Oppose, on the record, actions of the Board with which one disagrees or is in serious doubt;
- Appropriately challenge, within the structure and By-Laws of the Corporation, those binding; decisions that violate the legal, fiduciary or contractual obligations of the Corporation.

Conflict of Interest, Representation & Confidentiality

- Represent the best interests of the Corporation at all times and to declare any and all duality of interests or conflicts of interests, material or otherwise, that may impede or be perceived as impeding the capacity to deliberate or act in the good faith, on behalf of the best interests of the Corporation;
- Not seek or accept, on behalf of self or any other person, any financial advantage or gain that may be offered because, or as a result, of the Director's affiliation with the Corporation;
- Publicly support and represent the duly made decisions of the Board;
- Not use or otherwise relate one's affiliation with the Board to independently promote or endorse political candidates or parties for the purpose of election;
- Maintain full confidentiality and proper use of information obtained as a result of Board service in accordance with Board policy or direction.

Interpersonal

- Maintain open communication and an effective partnership with the Corporation's Officers and various committees, if any;
- Remain "solution focused," offering criticism only in a constructive manner;
- Not filibuster or engage in activities during meetings that are intended to impede or delay the progress and work of the Board because of differences in opinion or other personal reasons.

—Annual Potential Conflicts Disclosure Statement—

As a Director or Officer or Key Person of the Corporation, prior to your being seated on the Board of Directors or commencing employment with the Corporation, as appropriate, and annually thereafter, you are required to truthfully, completely and accurately disclose all information requested herein and to promptly update all such information as factual circumstances may change from time-to-time. With regard to this Conflicts Disclosure Statement, be advised, all material terms identified by quotation marks are defined by Appendix "A" of the By-Laws, which is entitled "By-Law & Corporate Policy Definitions".

Please circle 'Yes' or 'No' & provide additional information when requested

Financial Information Return Disclosure

Responses to the following questions are required to complete financial information returns annually submitted to the Internal Revenue Service and the Office of the Attorney General.

1. Have you served as an Officer, Director, Trustee, Key Person, partner or member of, or hold a thirty-five percent (35%) or greater ownership or beneficial interest, or in the case of a partnership or professional corporation a direct or indirect ownership interest in exceeding five percent (5%), in an entity, which during the most recently completed, or current, fiscal year, had, or are reasonably anticipated to have, a direct, or indirect, business relationship, with the Corporation?

No **Yes** If **Yes**, attach a detailed explanation of the circumstances.

2. Have you, individually, or through an entity where you hold a thirty-five percent (35%) or greater ownership or beneficial interest, or in the case of a partnership or professional corporation a direct or indirect ownership interest in excess of five percent (5%), during the most recently completed, or current, fiscal year, had, or are reasonably anticipated to have, a direct, or indirect, business relationship, with any individual who is a current or former "Officer," "Director" or "Key Person?"

No **Yes** If **Yes**, attach a detailed explanation of the circumstances.

3. Do you have a Relative who, during the most recently completed, or current, fiscal year, had, or is reasonably anticipated to have, a direct, or indirect, business relationship with the Corporation?

No **Yes** If **Yes**, attach a detailed explanation of the circumstances.

4. Have you, or did you have a Relative who, during the most recently completed, or current, fiscal year, had, or is reasonably anticipated to have, any transaction with the Corporation that might reasonably be considered a real or potential conflict of interest pursuant to the Corporation's Board of Directors Conflicts of Interest Policy, which has not been otherwise disclosed herein?

No **Yes** If **Yes**, attach a detailed explanation of the circumstances.

5. The Corporation relies upon a comprehensive written Conflicts of Interest & Related Party Transaction Policy, has the Board of Directors neglected to provide you with a current draft of this policy or a sufficient opportunity to review and discuss its terms?

No **Yes** If **Yes**, attach a detailed explanation of the circumstances.

Independent Director Assessment Disclosure

Please circle 'Yes' or 'No' & provide additional information when requested

In order to qualify as an "Independent Director," as defined by statute, an Officer or Director must respond in the **negative** to each of the following questions, although failure to respond to all questions in the negative shall not necessarily preclude such an Officer or Director from serving on the Board of Directors.

1. Are you currently, or have you been within the last three (3) fiscal years, an Employee or a Key Person of the Corporation, or an Affiliate of the Corporation?

No **Yes** If **Yes**, please attach a detailed explanation of the circumstances.

2. Do you have a Relative who is, or has been within the last three (3) years, a "Key Person" (as defined by statute) of the Corporation or an Affiliate of the Corporation?

No **Yes** If **Yes**, please attach a detailed explanation of the circumstances.

3. Have you received, within the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation, or an Affiliate of the Corporation, other than reimbursement for out-of-pocket expenses or compensation as a Director?

No **Yes** If **Yes**, please attach a detailed explanation of the circumstances.

4. Do you have a Relative who has received, within the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation, or an Affiliate of the Corporation, other than reimbursement for out-of-pocket expenses or compensation as a Director?

No **Yes** If **Yes**, please attach a detailed explanation of the circumstances.

5. Are you, or a Relative, a current officer or employee of, or have a substantial financial interest in, any entity that has provided payments* (see notes below), property or services to, or received payments, property or services from, the Corporation, or an Affiliate of the Corporation, if the amount paid by the Corporation, or an "Affiliate," to the entity or received by the Corporation, or an Affiliate, from the entity for property or services, within the last three (3)-fiscal years, exceeded the lesser of ten thousand dollars (\$10,000) or two percent (2%) of such entity's consolidated gross revenues if the entity's consolidated gross revenue was less than five hundred thousand dollars (\$500,000); twenty-five thousand dollars (\$25,000) if the entity's consolidate gross revenue was five hundred thousand dollars (\$500,000) or more but less than ten million dollars (\$10,000,000); one hundred thousand dollars (\$100,000) if the entity's consolidate gross revenue was ten million dollars (\$10,000,000) or more?

No **Yes** If **Yes**, please attach a detailed explanation of the circumstances.

6. Are you, or a Relative, a current owner (wholly or partially), Director, Officer or Employee of the Corporation's outside auditor, or have otherwise worked on the Corporation's outside audit at any time during the past three (3) fiscal years?

No **Yes** If **Yes**, please attach a detailed explanation of the circumstances.

—Certification—

I, the undersigned, certify that I have read and understand this Annual Conflicts Disclosure Statement. I agree that my actions will comply with the disclosures found in this document. I further affirm that neither I, as a Related Party nor any Relative have, or had, an interest, or has taken any action, that contravenes, or is likely to contravene, the Conflicts of Interests and Related Party Transaction Policy of the Corporation or, otherwise impedes my ability to act as a fiduciary and in the best interests of the Corporation, except those that may have been disclosed herein.

Signature

Date

Name

Title (Officer or Director)

*

Note: for purposes of Question #5 above, the definition the term "payments" does not include charitable contributions, dues or fees paid to the Corporation for services which the Corporation performs as part of its nonprofit purposes, or payments made by the Corporation at fixed or non-negotiable rates or amounts for services received, provided that such services by and to the Corporation are available to individual members of the public on the same terms, and such services received by the Corporation are not available from another source.

APPENDIX D—Whistleblower Protection Policy

1. *Intent*

The Corporation shall endeavor to protect any “Director,” “Officer” (each as defined by these By-Laws) employee, including any “Key Person” (as defined by these By-Laws) or volunteer who provide substantial services to the Corporation from intimidation, bullying, harassment, discrimination or other forms of retaliation on the part of the Corporation, or any of its Directors, Officers, employees or volunteers, as a consequence of the good-faith filing of a report relative to possible violations of any statute, regulation, applicable ethical standard or policy or procedure of the Corporation.

2. *Requirements*

Provided the Corporation has twenty (20) or more employees (full-time, part-time, or a combination thereof) and annual revenue exceeding one million dollars (\$1,000,000), it is required, pursuant to statute, to adhere to the terms of this policy, which, in the absence of such considerations, shall be considered advisable, but not necessarily required.

3. *Disclosure*

If any Director, Officer, employee or volunteer reasonably believe that some policy, practice, or activity of the Corporation, or of another individual or entity with whom the Corporation has a substantial business relationship exceeding ten thousand dollars (\$10,000), may violate any statute, regulation, applicable ethical standard or policy or procedure of the Corporation, such an individual is required to file a confidential written report summarizing his/her concerns with a member of the Audit & Finance Committee. While any such report may be submitted anonymously, it is strongly recommended that the whistleblower—whose identity shall be safeguarded to the greatest extent possible pursuant to the terms of this policy—assure that his/her concern is properly investigated.

4. *Investigation & Resolution Procedures*

The investigation of any alleged misconduct or omission governed by this policy shall be conducted in the following manner:

- a. Upon receipt of a confidential written report submitted by a whistleblower to a member of the Audit & Finance Committee, the report shall ordinarily be forwarded to the Chair of the Audit & Finance Committee who shall be responsible for properly receiving, overseeing, investigating, assessing, rendering determinations concerning and assuring for the proper documentation and recordation of any, and all, such reports in a manner consistent with the terms of this Policy. In instances where the Chair of the Audit & Finance Committee is him/herself a whistleblower, a subject of the whistleblower’s claims or otherwise conflicted, he/she shall disclose to the Committee the existence of the whistleblower’s claim and that he/she has a real or potential conflict of interest. The Committee shall then appoint another Director to serve as an “Employee Protection Officer” responsible for overseeing the Corporation’s response to the whistleblower’s report. In all instances, as part of his/her duties, the individual responsible for coordinating the investigation of, and response to, a whistleblower concern shall confirm, and contemporaneously document, that he/she has accepted responsibilities for overseeing the Corporation’s response and that he/she possesses the knowledge and training to so act, as well as identify and address, on an ongoing basis, needs for the improvement of this Whistleblower Protection Policy;
- b. Within thirty (30)-days of receipt of the written report of a whistleblower, or as soon as practicable thereafter, the Chair of the Audit & Finance Committee, or designated Employee Protection Officer, as appropriate, shall act as follows:
 - i. Safeguard the confidentiality of subject whistleblower by not disclosing to other Directors, Officers employees or volunteers of the Corporation, the existence of the

- alleged misconduct or omission, the underlying factual circumstances of the filing of the written report, except as needed in order to properly investigate the matter;
- ii. Conduct an appropriate investigation of the matter within approximately thirty (30)-days of receipt of the written report, or as soon as practicable thereafter;
 - iii. Review the policies and procedure of the Corporation, making particular note of the alleged misconduct or omission;
 - iv. Assess, in the most confidential manner possible, the concerns of the subject whistleblower via written questionnaire and/or interview, as well as those of other Directors, Officers, employees or volunteers who may have an understanding of, or be complicit in, the alleged misconduct or omission, in order to form an informative opinion of the matter and, if necessary, potential recommendations for resolution;
 - v. Prepare and submit a written report on the matter to the Audit & Finance Committee, together with recommendations as to resolution and a timeline for implementation; and,
 - vi. Forward a copy of the written report to the "Entire Board" (as defined by Appendix "A").
- c. The Audit & Finance Committee shall act on the written report of the Chair, or designated Employee Protection Officer, as appropriate, review findings and recommendation identified therein, and submit to the Board of Directors a final written assessment of the matter, recommendations as to resolution and a timeline for implementation of recommended actions; and,
 - d. Upon receipt of the written report of the Chair of the Audit & Finance Committee, or Employee Protection Officer, as appropriate, and the written assessment of the Audit & Finance Committee, the Board of Directors, at its next scheduled Regular Meeting, or a Special Meeting called for that purpose, shall consider the matter and render binding determinations as to resolution, up to, and including, the suspension or removal of any Director, Officer, employee or volunteer of The Corporation found to have engaged in the subject misconduct or omission.

5. Retaliation Protections

Upon filing a report of alleged violation(s) of statute, regulation or applicable ethical standard, any such Director, Officer or Key Person shall be protected, directly and indirectly, from intimidation, bullying, harassment, discrimination or adverse employment consequence or action on the part of the Corporation or any of its Directors, Officers, employees or volunteers.

6. Documentation

The Audit & Finance Committee and the Board of Directors shall assure that the matter is properly documented in the records of the Corporation, including minutes of the meetings of the Committee and the Board where the matter was considered and/or addressed.

7. Limitations

This policy does not protect any Director, Officer, employee or volunteer of the Corporation acting in bad faith; who is deliberately dishonesty; and/or, who has personally garnered profit, or some other advantage, to which he/she is not legally entitled to receive. No Director, Officer, employee or volunteer should expect protection under this policy if complicit in the misconduct or omission that is the subject of his/her concern, unless his/her complicity was prompted by duress or is motivated by reasonable fear of retaliation.

8. Publication

A copy of the policy, or an analogous whistleblower protection policy, as appropriate shall be distributed to all Directors, Officers, employees and volunteers who provide substantial services to the Corporation.

APPENDIX E—Audit Oversight Policy

1. Auditing

Provided the Corporation is required pursuant to stipulated statutory thresholds dictated by revenue annually received and/or other applicable regulation and/or contractual obligation, demanded by the Office of the Attorney General, requested by another regulatory agency or funder as a condition of funding, or otherwise recommended and authorized by the Board of Directors, the accounts of the Corporation shall be subject to an annual audit report or audit review report prepared by "Independent Auditor" (as defined by Appendix "A") to be overseen by the Audit & Finance Committee, which shall be comprised solely of "Independent Directors" (as defined by Appendix "A"). If such an audit report or audit review is commissioned, the Corporation shall adhere to the terms of this Audit Oversight Policy, which, in the absence of statutory obligation, shall be considered advisable, but not required.

2. Restrictions

Once retained, neither the Independent Auditor, nor a partner, associate or employee of the Independent Auditor's firm or practice; or, a "Relative" (as defined in Appendix "A"), or a partner, associate or employee of a Relative's firm or practice, shall perform any assistance to the Corporation other than that directly related to auditing functions.

3. General Duties

While working with the Independent Auditor retained to prepared annual audit report, the Corporation's Audit & Finance Committee, which shall be comprised solely of "Independent Directors" (as defined by these By-Laws), shall perform the following duties:

- a. Oversee the accounting and financial reporting processes of the Corporation and the audit of the Corporation's financial statements;
- b. Annually retain or renew the retention of an Independent Auditor to conduct the audit and, upon completion thereof, review the results of the audit and any related management letter with the Independent Auditor; and,
- c. Oversee the adoption, implementation of, and compliance with the Corporation's Conflicts of Interest Policy and Related Party Transaction Policy and any required Whistleblower Protection Policy adopted by the Corporation, if such functions are not otherwise performed by another Committee of the Board or the Entire Board itself.
- d.

4. Revenue-Imposed Duties

The Audit & Finance Committee shall also be required to perform the following duties:

- a. Review with the Independent Auditor the scope and planning of the audit prior to commencement;
- b. Upon completion of the audit, review and discuss with the Independent Auditor: (a) Any material risks and weaknesses in internal controls identified by the Independent Auditor; (b) Any restrictions on the scope of the Independent Auditor's activities or access to information; (c) Any significant disagreements between the Independent Auditor and management; and, (d) The adequacy of the Corporation's accounting and financial reporting processes;
- c. Annually consider the performance and independence of the Independent Auditor; and,
- d. Report on the Committee's activities to the Board of Directors.

5. Affiliate Corporations

Should the Corporation control other "Affiliate" (as defined by Appendix "A") subsidiary corporations, the Audit & Finance Committee of this Corporation may pursuant to state statute and these By-Laws perform all audit oversight duties stipulated in this Article for any such Affiliate subsidiary corporations.