

# Non-Member Corporate Bylaws - Example

## BYLAWS OF

\_\_\_\_\_ NFP

### ARTICLE I - OFFICES

The corporation shall maintain a registered office in the State of Illinois and a registered agent at such office. The corporation may have other offices within or without the state.

### ARTICLE II - MEMBERSHIP

The corporation shall have no members.

### ARTICLE III - BOARD OF DIRECTORS

**Section 1. General Powers.** The affairs of the corporation shall be managed by its board of directors. This shall include, but not be limited to, the power to modify restrictions on the distribution of funds for purposes designated by donors if the restrictions become obsolete and to determine investment policy, including the designation of a depository for the corporation's funds.

**Section 2. Number, Tenure, and Qualifications.** The number of directors shall be not less than \_\_\_\_\_ and not more than \_\_\_\_\_. Directors shall be elected annually by the Board of Directors. Each director shall hold office for a term of \_\_\_\_\_ year, or until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign. A Director shall be eligible to serve \_\_\_\_\_ consecutive \_\_\_\_\_-year terms. Directors need not be residents of Illinois. The number of directors may be increased to any number or decreased to not fewer than three (3) from time to time by amendment of this Section.

**Section 3. Annual Meeting.** An annual meeting of the board of directors shall be held during the month of \_\_\_\_\_, at such time and place as may be fixed by resolution of the board without other notice than such resolution.

**Section 4. Other Regular Meetings.** The board of directors may provide by resolution the time and place for the holding of additional regular meetings of the board without other notice than such resolution.

**Section 5. Special Meetings.** Special meetings of the board of directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the board may fix any place as the place for holding any special meeting of the board called by them.

**Section 6. Notice.** Notice of any special meeting of the board of directors shall be given at least ten (10) days prior thereto by written notice to each director at the United States mail or electronic mailing address shown for such director in the records of the corporation. If mailed by United States mail, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If sent by electronic mail, such notice shall be deemed to be

delivered on the day following transmission. Notice of any meeting of the board of directors may be waived in writing signed by the person or persons entitled to such notice either before or after the time of the meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

**Section 7. Quorum.** At all meetings of the board of directors a majority of the total number of directors shall constitute a quorum for the transaction of business, provided that if less than a majority of the directors is present at said meeting a majority of the directors present may adjourn the meeting to another time without further notice.

**Section 8. Manner of Acting.** The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number of required by statute, the articles of incorporation, or these bylaws.

**Section 9. Action Without Meeting.** Any action required to be taken at a meeting of the directors of the corporation, or any other action which may be taken at a meeting of directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors entitled to vote with respect to the subject matter thereof.

**Section 10. Vacancies.** Any vacancy occurring in the board of directors or any directorship to be filled by reason of any increase in the number of directors shall be filled by the board of directors. A director elected to fill a vacancy shall serve for the unexpired term of his or her predecessor.

**Section 11. Compensation.** Directors shall not receive any stated salaries for their services, but by resolution of the board of directors a fixed sum and expenses of attendance, if any, may be paid for each regular or special meeting of the board, provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving reasonable compensation therefore.

#### **ARTICLE IV - COMMITTEES**

**Section 1. Creation of Committees.** The board of directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of one or more directors and such other persons as the board shall appoint.

**Section 2. Manner of Acting.** Each committee, to the extent provided in the resolution creating such committee and except as limited by law, the articles of incorporation, or these bylaws, shall have and exercise the authority of the board of directors in the management of the corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the board of directors, or any individual director, of any responsibility imposed upon it or him or her by law. Unless otherwise provided in the resolution creating a committee, such committee may select its chairman, fix the time and place of its

meetings, specify what notice of meeting, if any, shall be given, and fix its rules of procedure which shall not be inconsistent with these bylaws or with rules adopted by the board of directors. The act of a majority of committee members present at a meeting at which a quorum is present shall be the act of the committee.

**Section 3. Term of Office.** Each member of a committee shall continue as such until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member is removed from such committee, or unless such member shall cease to qualify as a member thereof.

**Section 4. Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

**Section 5. Quorum.** Unless otherwise provided in the resolution of the board of directors designating a committee, a majority of the whole committee shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

**Section 6. Action Without Meeting.** Any action which may be taken at a meeting of a committee may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the members of the committee entitled to vote with respect to the subject matter thereof.

**Section 7. Attendance by Electronic Means.** Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation in a meeting shall constitute presence in person at the meeting.

## ARTICLE V - OFFICERS

**Section 1. Enumeration.** The officers of the corporation shall be a president, a vice-president, a secretary, and a treasurer. The board of directors may also elect one or more additional vice-presidents, one or more assistant secretaries or assistant treasurer, and such other officers as it shall deem appropriate. Officers whose authority and duties are not prescribed in these bylaws shall have the authority and perform the duties prescribed, from time to time, by the board of directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

**Section 2. Term of Office.** The officers of the corporation shall be elected at the annual meeting of the board of directors and shall hold office until their successors are elected and qualified or until their death, resignation, or removal. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Any officer elected by the board of directors may be removed by the board whenever in its judgment the best interests of the corporation would be served thereby.

**Section 3. President.** The president shall be the principal executive officer of the corporation. Subject to the direction and control of the board of directors, the president shall have general supervision, direction, and control of the business and affairs of the corporation and shall perform all duties incident to the office of president and such other duties as may be assigned to him or her by the board of directors. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the board of directors, the president

may execute for the corporation any contracts, deeds, mortgages, bonds, or other instruments which the board of directors has authorized to be executed, and he or she may accomplish such execution either under or without the seal of the corporation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of directors, according to the requirements of the form of the instrument. The president may vote all securities which the corporation is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the corporation by the board of directors.

**Section 4. Vice President.** The vice president shall perform such duties and have such other powers as shall be assigned to him or her by the president or the board of directors. Further, in the absence of the president or in the event of his or her inability or refusal to act, the 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.

**Section 5. Secretary.** The secretary shall keep a record of all proceedings of the board of directors in a book to be kept for that purpose, see that all notices are duly given in accordance with the provision of these bylaws or as required by law, be custodian of the corporate records and of the seal of the corporation, and perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the board of directors.

**Section 6. Treasurer.** The treasurer shall have charge of and be responsible for the maintenance of adequate books of account for the corporation, have charge and custody of all funds and securities of the corporation, and be responsible for the receipt and disbursement thereof, and perform all duties incident to the office of a treasurer and such other duties as may be assigned to him or her by the president or the board of directors. With the approval of the board of directors, the treasurer may delegate specified duties to an assistant treasurer or other person for the effective conduct of the affairs of the corporation.

## ARTICLE VI - GENERAL PROVISIONS

**Section 1. Contracts.** The board of directors may authorize any officer or officers or agent or agents of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

**Section 2. Checks, Drafts, Etc.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers or agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors. In the absence of such determination by the board of directors, such instruments shall be signed by the secretary and countersigned by the president of the corporation.

**Section 3. Fiscal Year.** The fiscal year of the corporation shall be fixed by resolution of the board of directors.

**Section 4. Seal.** On the corporate seal shall be inscribed the name of the corporation and the words "corporate Seal" and "Illinois."

**Section 5. Waiver of Notice.** Whenever any notice is required to be given under law, the articles of incorporation or the bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**Section 6. Amendments.** The power to alter, amend, or repeal the bylaws or adopt new bylaws shall be vested in the board of directors. The bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

## **ARTICLE VII - INDEMNIFICATION AND INSURANCE**

**Section 1.** The corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee, or agent of the corporation, or who is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

**Section 2.** The corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, provided that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation, unless, and only to the extent that the court in which such action or suit was brought shall

determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

**Section 3.** To the extent that a director, officer, employee, or agent of the corporation has been successful, on the merits or otherwise, in the defense of any action, suit, or proceeding referred to in Sections (1) and (2) of this Article VII, or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

**Section 4.** Any indemnification under Sections (1) and (2) of this Article VII or (unless ordered by a court) shall be made by the corporation only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections (1) and (2) of this Article VII. Such determination shall be made (i) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the members entitled to vote, if any.

**Section 5.** Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the board of directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized in this Article VII.

**Section 6.** The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

**Section 7.** The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or who is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article VII.

**Section 8.** If the corporation has paid indemnity or has advanced expenses under this Article VII to a director, officer, employee, or agent, the corporation shall report the indemnification or advance in writing to the members entitled to vote with or before the notice of the next meeting of such members.