



Jewish Federation of Metropolitan Chicago

BY-LAWS

of the

JEWISH FEDERATION

of Metropolitan Chicago

Amended to January 24, 2013

JEWISH FEDERATION OF METROPOLITAN CHICAGO

BY-LAWS

ARTICLE I

Objectives

The purpose and objectives of Jewish Federation of Metropolitan Chicago, hereinafter referred to as "**Federation**," shall be:

(a) To plan, coordinate, develop, implement and effectuate principles, standards and programs of social service, medical care, education, community relations and charitable, philanthropic and eleemosynary activities, operated exclusively and solely for charitable purposes among Jewish and other welfare organizations, which will best serve the interests of the Jewish communities in Chicago and elsewhere and to assist in the implementation thereof;

(b) To raise, collect and administer funds and to distribute such funds in support of organizations affiliated with the Federation and to organizations not affiliated with the Federation but whose activities are consistent with the purposes set forth in these By-Laws and the Certificate of Incorporation, as amended, of the Federation;

(c) To cooperate with the Jewish United Fund of Metropolitan Chicago ("**JUF**"), the United Way of Metropolitan Chicago and similar community organizations in their fund-raising, planning and other activities;

(d) To exercise such other functions as are consistent with the purposes and objects authorized by its Certificate of Incorporation and the amendments thereto.

ARTICLE II

Members

2.1 Any person who makes payment of a contribution in an amount of not less than \$25.00 to the Federation directly or to the JUF to be used in whole or in part for budgetary purposes of the Federation shall be a voting member of the Federation and each of its Affiliated

Organizations for the year in respect of which such payment is made and until final adjournment of the annual meeting of the Federation held the following year.

2.2 Each member shall be entitled to one vote on each matter submitted to the members and at each election of Directors shall have one vote for as many persons as there are Directors to be elected. There shall be no cumulative voting in the election of Directors.

2.3 At any meeting of members, a member entitled to vote may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

ARTICLE III

Affiliated Organizations and Beneficiary Organizations

3.1 The Board of Directors shall determine the Affiliated Organizations and Beneficiary Organizations which may receive financial support from the Federation, and may suspend or terminate any such relationship. An organization not an Affiliated Organization or a Beneficiary Organization, upon application and fulfillment of conditions prescribed by the Board of Directors of the Federation, may become an Affiliated Organization or a Beneficiary Organization, as the case may be, upon approval of the Board of Directors.

3.2 Applications of organizations to become Affiliated Organizations or Beneficiary Organizations and proposals for suspension or termination of any such relationship may be acted upon at any regular or special meeting of the Board of Directors; provided that written notice of the proposed action shall be mailed to each member of the Board at least ten days prior to the meeting, and further provided that an affirmative vote of at least two-thirds of the Directors present at any such meeting and of at least a majority of the entire Board, shall be required for any such action resulting in the creation, suspension, or termination of any such relationship.

3.3 The Affiliated Organizations and Beneficiary Organizations shall comply with standards of practice hereinafter set forth and which the Board may from time to time modify by resolution:

(a) Each such Organization shall be doing necessary work in conformity with the purposes of the Federation and shall operate in accordance with accepted standards in its field of service.

(b) Except as the Board of Directors shall otherwise determine, such Organizations shall not purchase, rent, construct, sell, lease or accept as a gift any land or building to be used in conducting their work, without the approval of the Board of Directors of the Federation.

(c) Such Organizations shall not raise funds or solicit contributions for either maintenance or capital purposes, including endowments, legacies or devises, without prior approval of the Board of Directors of the Federation.

(d) Such Organizations shall submit to the Federation periodic detailed, financial and other reports as may be requested by the Federation including detailed financial reports which such Organizations shall obtain from auxiliaries and groups raising money in their name. Each organization shall see to it that such auxiliaries and groups shall use generally acceptable methods for raising funds in accordance with the policies of the Federation.

3.4 Each Affiliated Organization and Beneficiary Organization shall be managed by its own officers and directors, subject, in the case of local Organizations operating solely in Metropolitan Chicago, to the general supervision of the Federation, provided, however, that matters concerning religious doctrines, laws, practices and ceremonies for each Affiliated Organization and Beneficiary Organization shall be determined by its own Board of Directors.

3.5 Each Affiliated Organization shall adopt and maintain a By-Law or other valid regulation providing that each person who is a member of the Federation shall, by reason of such membership, be a member of such Affiliated Organization and that no person shall be a member of such Affiliated Organization unless he is a member of the Federation. Each Affiliated Organization and local Beneficiary Organization shall adopt and maintain a By-Law or other valid regulation providing that in order to be qualified to act as a director or an officer of such Affiliated Organization or local Beneficiary Organization, a person must be a member of the Federation.

ARTICLE IV

Board of Directors

4.1 The entire administration, government and management of the property, business and affairs of the Federation shall be vested in the Board of Directors.

4.2 The elected members of the Board of Directors of the Federation shall be divided into two substantially equal classes. One class of elected directors shall be elected annually, as hereinafter provided, to serve for a term of two years and until their successors are duly elected and qualified. The Board of Directors shall consist of 74 elected directors, plus ex officio voting members and Additional Directors. In addition to the elected directors, each JUF Campaign General Chairman effective from the date of appointment and continuing until the regular annual meeting of the Federation held in the year following the completion of service as such Chairman, the President of the Women's Board, Women's Division of the Federation, the Vice President of the Campaign of such Women's Board, the President of the Young Women's Board, Women's Division, the President of the Young Leadership Division of the Federation and

one additional person designated by the Young Leadership Division shall be voting directors, ex officio; provided, however, that at any time the President of the Young Leadership Division shall be an elected director, two additional persons designated by such Division shall be voting directors, ex officio. The Board of Directors shall determine from time to time the ex officio nonvoting membership, if any, of the Board. Each director must be a member of the Federation and may be a member of the Board of Directors of any one or more Affiliated or Beneficiary Organizations. No person while serving as a professional employee of the Federation or its affiliate or beneficiary agencies (other than as President of the Federation or such other title as may then reflect the position of the chief professional officer of the Federation) shall be eligible to serve as an elected Director.

4.3 (a) The Board of Directors shall, not later than March 31 in each year, select by ballot a Nominating Committee of twelve (12) members of the Federation, seven (7) of whom shall be members of the Board. The Chairman of the Board shall appoint the Chairman of the Nominating Committee from among the members of the Nominating Committee. At least ten (10) days prior to the meeting of the Board of Directors at which the election of the Nominating Committee shall take place, the Chairman of the Board shall notify the Directors as to the nominees he proposes for election to that Committee. If any person elected as a member of the Nominating Committee shall be unable or unwilling to act or to continue to act as a member of that Committee, the Chairman of the Board shall fill the vacancy by appointment of a Board member or non-Board member, as shall be appropriate. Members of the Nominating Committee shall not be eligible for election or re-election to the Board of Directors at the next annual meeting.

(b) It shall be the duty of the Nominating Committee to submit nominations for the directors to be elected at such annual meeting. Each year the Nominating Committee shall establish principles and procedures as a guide for the selection of nominees; provided, however, that at least eight (8) members of the Nominating Committee (of whom at least five (5) shall be members of the Board) shall be present in person at any meeting of the Nominating Committee at which nominees are finally selected.

(c) The names of the nominees shall be sent to all members of the Federation at least twenty (20) days before such annual meeting. Other nominations may be made in writing by not less than two hundred (200) members provided that such nominations shall be received by the Secretary at least thirty-five (35) days before such annual meeting. No persons shall be balloted for as directors whose names are not placed in nomination in accordance herewith. The election of directors by the members shall be held at the regular annual meeting of the Federation.

4.4 Directors shall not be eligible for re-election by the members to serve more than three consecutive full terms, excepting, however, that (a) the incumbent Chairman of the Board and Vice Chairmen of the Board who have served three consecutive full terms shall be eligible for re-election by the members to a fourth consecutive full term; and (b) the incumbent Chairman of the Board or an incumbent Vice Chairman of the Board who shall have served four consecutive full terms and who shall have been elected to serve as Chairman of the Board for a

term commencing on the day following the next annual meeting of the members of the Federation shall be eligible for re-election by the members to a fifth consecutive full term. For all purposes of this Section, "full term" shall mean a term of two or more years. There shall be no limitation on the total number of non-consecutive terms any member shall be eligible to serve as a director. A "term" to which a director is elected by the members shall be deemed "non-consecutive" only if such director shall not have served as a director (a) for at least one year immediately prior to such director's election by the members, or (b) since the date of the last annual meeting of the members of the Federation if such director is being elected at an annual meeting. Nothing in this Section 4.4 shall prohibit the Board of Directors from filling a vacancy on the Board of Directors by electing as a director an individual who, by reason of the number of consecutive full terms such individual has served, was not eligible to be re-elected as a director by the members of the Federation at the most recent annual meeting; provided however that (i) the Board of Directors may not so elect such individual prior to its meeting next following the annual meeting of members of the Federation at which such individual's term of office has expired, and (ii) the term of office to which such individual is so elected shall not begin prior to the meeting of the Board of Directors next following the meeting at which the individual is so elected.

4.5 In case of prolonged absence, refusal, inability or neglect to perform the duties of his office, of any director, ex officio director or Additional Director, such person may be removed from the Board of Directors in the following manner:

- (a) In the case of an elected director the Board of Directors, by the vote of a majority of a quorum, may recommend to the members the removal of such director from office. In the event of such recommendation, such director may be removed from office by the affirmative vote of two-thirds of the votes of members present and voted, either in person or by proxy, at an annual or special meeting of members. The notice of such meeting, which shall be given not less than twenty (20) days before the date of such meeting, shall state that a purpose of such meeting is to vote upon the removal of such director.
- (b) An ex officio director or an Additional Director may be removed from office by the affirmative vote of a majority of a quorum of the Board of Directors.

In case of any such removal or in case of the death, disqualification or resignation of any member of the Board of Directors, or in case of the existence or creation of any vacancy on the Board of Directors arising for any reason whatsoever, the Board of Directors may appoint a director for the unexpired term of his predecessor in office, if any.

4.6 The Board of Directors shall hold at least nine regular meetings during the ten-month period from September through June, and special meetings when called by the Chairman of the Board or ten (10) members of the Board.

4.7 At least two (2) days' notice of all regular and special meetings of the Board of Directors shall be given by the Secretary; provided, however, that in the case of any meeting at which officers are to be elected as provided in Section 5.1 of these By-Laws, at least ten (10)

days' notice shall be given. Except as otherwise provided in these By-Laws, neither the business to be transacted at, nor the purpose of, any regular or special meeting need be specified in the notice.

4.8 One-third of the whole Board of Directors shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting, at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the General Not for Profit Corporation Act of the State of Illinois, as amended, the Articles of Incorporation of the Federation or these By-Laws.

4.9 Notwithstanding any provision in this Article IV to the contrary:

- (a) (i) The person who is Chairman of the Board, and (ii) any person who at any time has served as Chairman of the Board (or such other title as reflected such office) and who at the time shall not be serving as a director, may be elected by the Board of Directors as an Additional Director for one term of two years;
- (b) The person who is the President of the Chicago Board of Rabbis may be elected by the Board of Directors as an Additional Director for a term coterminous with his term of office as such President;
- (c) The person who is the immediate past President of the Chicago Board of Rabbis may be elected by the Board of Directors as an Additional Director for a term coterminous with his position as such immediate past President; and
- (d) Any one or more of the following persons:
 - (i) the person serving from time to time as President of CJE SeniorLife ("CJE") or another officer of the CJE appointed by said person;
 - (ii) the person serving from time to time as President of the Jewish Child and Family Services ("JCFS") or another officer of the JCFS appointed by such person;
 - (iii) the person serving from time to time as President of the Jewish Community Centers of Chicago ("JCC") or another officer of JCC appointed by such person;
 - (iv) the person serving from time to time as President of the Jewish Vocational Service and Employment Center ("JVS") or another officer of JVS appointed by such person;
 - (v) the person serving from time to time as the principal lay officer of Jewish Federations of North America;

- (vi) the person serving from time to time as the principal lay officer of the United Israel Appeal;
- (vii) the person serving from time to time as the principal lay officer of the American Jewish Joint Distribution Committee;
- (viii) the person serving from time to time as the principal lay officer of the Board of Governors of the Jewish Agency for Israel
- (ix) the person serving from time to time as the Chair of the Governing Commission of The Hillels of Illinois
- (x) the person serving from time to time as the Chair of the Jewish Women's Foundation

may be elected by the Board of Directors as Additional Directors for a one-year term.

ARTICLE V

Officers

5.1 Qualifications; Number; Election; Term. The officers of the Federation shall include a Chairman of the Board, not more than ten Vice Chairmen of the Board, a Secretary, an Assistant Secretary, a Treasurer, and an Assistant Treasurer, all of whom shall be elected from among the members of the Board of Directors; and such Vice Presidents, Assistant Vice Presidents, additional Assistant Secretaries and Assistant Treasurers, if any, as from time to time shall be designated by the Board of Directors, all of whom shall be designated from among the members of the executive staff of the Federation, and such other officers as from time to time may be elected by the Board. Notwithstanding the foregoing limitation on the number of Vice Chairmen of the Board, each of the JUF Campaign General Chairman for the then current year and the General Chairman for the next succeeding year shall be ex officio a Vice Chairman of the Board until he has completed his service as such General Chairman. The officers shall be elected at a meeting of the Board of Directors held, pursuant to notice specifying the election of officers as a purpose of such meeting, in the month of June or July of each year and shall assume the duties of their respective offices on the day following the next annual meeting of the members. The terms of office of all officers shall be one year and until their respective successors are elected and qualified.

5.2 Chairman of the Board. The Chairman of the Board shall be the principal lay officer of the Federation. It shall be the duty of the Chairman of the Board to preside at meetings of the Board of Directors and members. Subject to the approval of the Board of Directors he shall appoint all standing and temporary committees. He shall be ex officio a non-voting

member of the Nominating Committee and ex officio a member of all other committees with the same voting rights as any other members.

5.3 Successor to Chairman. In the event of the death, resignation, absence, inability or refusal of the Chairman of the Board to discharge the duties of his office, the performance thereof shall devolve upon the Vice Chairman of the Board designated by the Board so to act, until such time as the Board of Directors elects a successor.

5.4 Treasurer. The Treasurer shall have charge of all funds, stocks, bonds, securities, real estate, mortgages, title papers and other valuable documents, and all other property belonging to the Federation. The Treasurer shall cause all funds of the Federation to be deposited in the name of the Federation in such banks as are designated by the Board of Directors, and he shall cause all stocks, bonds, mortgages and other securities to be deposited in the name of the Federation in custodian, agency or similar accounts with such banks as are designated by the Board of Directors; and he shall keep all other property as can be so kept in such safe deposit vaults in the City of Chicago, rented in the name of the Federation, as are designated by the Board of Directors. The Treasurer shall cause books to be kept containing a detailed account of all funds received and expended, which books shall be open for inspection and examination by the Board of Directors, and he shall report on the condition of the Treasury at the annual meeting of the members and at all regular meetings of the Board of Directors and at such other times as the Board of Directors may determine. At the expiration of his term of office, he shall deliver the books, papers, securities, funds and other property of the Federation to his successor in office.

5.5 Secretary. The Secretary shall keep an accurate record of the meetings of the members and of the Board of Directors. He shall have custody of the corporate seal. He shall issue all calls and notices for meetings and conduct all correspondence as directed by the Board. At the expiration of his term of office he shall deliver all books and papers in his possession belonging to the Federation to his successor in office.

5.6 Assistant Secretaries; Assistant Treasurers. The Assistant Secretary and Assistant Treasurer who are members of the Board of Directors shall, respectively, perform the duties of the Secretary and Treasurer of the Federation in the event of the death, resignation, absence, or inability or refusal of the Secretary or Treasurer, respectively, to discharge the duties of his office. The Assistant Secretaries and Assistant Treasurers, if any, who are members of the executive staff of the Federation shall perform such duties as shall be determined from time to time by the Board of Directors or the President or Vice Presidents of the Federation.

5.7 President. The Board of Directors shall appoint a President who, under the supervision and control of the Board of Directors, shall be the chief professional officer of the Federation and shall employ and direct the paid personnel necessary for the conduct of the work of the Federation. He shall report to the Board of Directors on the work of the Federation and its Affiliated Organizations and Beneficiary Organizations; he shall be charged with preparing requisite information for the appropriate committees of the Board with respect to the annual budget of the Federation and with respect to the problems which the Board may desire to study

either in the work of the Federation or in the work of the Affiliated Organizations and Beneficiary Organizations. He shall perform such other duties as may from time to time be required of him by the Board of Directors. He shall be ex officio a non-voting member of the Board of Directors and of its committees. The President may, with the approval of the Board of Directors, appoint an Executive Vice President who shall rank as the next senior member of the executive staff of the Federation.

5.8 Vice Presidents. The Vice Presidents shall assist the President in the discharge of his duties as the President may direct and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors. In the absence of the President or in the event of his inability or refusal to act, the Vice Presidents (in the order designated by the Board of Directors or by the President if the Board of Directors has not made such a designation, or in the absence of any designation, then in the order of seniority of tenure as Vice President (or such other title as reflected such office)) 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.

5.9 Bond. The officers and directors of the Federation shall be bonded in such amounts and with such surety as shall be satisfactory to the Board of Directors. Premiums on such bonds shall be paid by the Federation.

5.10 Authority. The Chairman of the Board, the Treasurer, and such other officers and persons, or any one or more of them, as may be designated by the Board of Directors, shall sign orders and checks for money which shall have been appropriated by the Board of Directors; shall sign orders, assignments, deeds and other documents and papers as may be required for the withdrawal, assignment, conveyance, sale and delivery of stocks, bonds, mortgages, securities and other property, which shall have been sold by the Board of Directors, or by the Pooled Endowment Portfolio Committee; shall have access of the safe deposit boxes of the Federation; and shall, in the name and on behalf of the Federation, accept and receipt for contributions, gifts, bequests, legacies and all other monies, property and receipts of the Federation.

5.11 Nomination. It shall be the duty of the members of the Nominating Committee selected pursuant to Section 4.3 of these By-Laws who are members of the Board of Directors, to submit nominations for the officers to be elected by the Board of Directors at the meeting provided for in Section 5.1 of these By-Laws. A list of such nominees shall be sent to all members of the Board of Directors at least ten (10) days before any such meeting. Other nominations may be made from the floor at any such meeting.

ARTICLE VI

Committees and Advisory Bodies

6.1 Appointment. The Chairman of the Board, subject to the approval of the Board of Directors, shall appoint an Executive Committee, a Pooled Endowment Portfolio Committee, an Overall Planning and Allocations Committee, an Audit Committee, a Compensation Committee, and such other committees and advisory bodies as the Board shall determine for a term of one year and until their respective successors shall be duly appointed and qualified.

6.2 Executive Committee. The Executive Committee shall be composed of the following persons as long as they are members of the Board of Directors of the Federation: (i) officers of the Federation and past Chairmen of the Board (or such other title as reflected such office) of the Federation, (ii) the President of the Women's Board, Women's Division of the Federation, representing the Women's Division, (iii) the President of the Young Leadership Division of the Federation, and (iv) not more than three (3) other directors appointed by the Chairman of the Board subject to the approval of the Board of Directors. During the intervals between the meetings of the Board of Directors, the Executive Committee may exercise all the powers of the Board of Directors in the management of the business and affairs of the Corporation, except the power to make appropriations from the Endowment Funds, and subject to such restrictions, if any, as the Board of Directors may from time to time adopt. The Executive Committee shall report its actions to the Board of Directors at any regular meeting of the Board, but such report shall be solely for the information of the Board and no such action shall require ratification by the Board.

6.3 Pooled Endowment Portfolio Committee. The Pooled Endowment Portfolio Committee ("PEPC") shall be composed of not less than six voting members. The PEPC shall be responsible for oversight of the investments of Federation and the investments of Federation's employee benefit plans, and in particular, the investments of JFMC Pooled Endowment Portfolio, LLC and any similar vehicle used by Federation or its employee benefit plans to hold investments. In performing such oversight the PEPC shall implement the investment policies adopted from time to time by the Board of Directors. The PEPC shall also perform such other investment-related functions as may be assigned to it from time to time by the Board of Directors. The PEPC shall report to the Board of Directors not less frequently than annually on the status and performance of the investments overseen by the PEPC.

6.4 Investment Advisory Council. The Investment Advisory Council ("IAC") shall be composed of (i) individuals appointed by the Chairman of the Board, and (ii) individuals appointed by any investor in the JFMC Pooled Endowment Portfolio, LLC (or similar vehicle). The Chairman of the PEPC shall be the Chairman of the IAC. The IAC shall be a vehicle to inform and educate its members and other interested persons about the Federation's investment policies and the performance of the investments overseen by the PEPC. The IAC may not act on behalf of the Federation or the PEPC or bind Federation or the PEPC to any action but may make recommendations to the PEPC.

6.5 Overall Planning and Allocations Committee. The Overall Planning and Allocations Committee (“OPAC”) shall study the budgets of the Affiliated Organizations and Beneficiary Organizations with related data on their services, activities and resources and shall recommend an overall allocation budget to the Board of Directors, taking into account priority guidelines and resources. All matters pertaining to services, activities and programs and financial needs of the Affiliated Organizations and Beneficiary Organization shall be submitted to the Overall Planning and Allocations Committee for study and consideration.

6.6 Compensation Committee. The Compensation Committee shall consist of at least four members of the Board of Directors. The Compensation Committee shall annually review the performance and determine the compensation of the President of the Federation, and shall review the President’s recommendations concerning the compensation of other senior executives of the Federation. The Compensation Committee shall make an annual report to the Board of Directors on its activities during the year.

6.7 Committee and Advisory Body Membership. In appointing any committee or advisory body, the Chairman of the Board may designate the Chairman thereof and, if deemed desirable, the Vice Chairman and may also designate a Secretary who may be a member thereof or a member of the staff of the Federation. Committee or advisory body members may include, with full voting rights, persons who are not members of the Board of Directors, except that (i) all voting members of the Executive Committee shall be members of the Board of Directors, (ii) as required by state law, at least a majority of the voting members of each of the Pooled Endowment Portfolio Committee, the Audit Committee and the Compensation Committee shall be members of the Board of Directors and (iii) at least 25% of the voting members of each other committee shall be members of the Board of Directors. Advisory bodies may be composed entirely of individuals who are not members of the Board of Directors. The Chairman of the Board or the Chairman of a committee or advisory body may designate members of the professional or executive staff of the Federation or any Affiliated or Beneficiary Organization as non-voting members of committees or advisory bodies. Except as officers of any committee or advisory body shall have been designated by the Chairman of the Board or by these By-Laws, each committee or advisory body shall have the power to designate its own officers and to prescribe its own rules of procedure not inconsistent with these By-Laws.

ARTICLE VII

Endowment Fund and Appropriations

7.1 All assets of the Endowment Fund of the Federation shall be managed and used in such manner for the purposes and objectives of the Federation as may be determined by the Board of Directors, subject however to such restrictions as shall have been imposed thereon by the respective testators or donors.

7.2 Unless otherwise designated by the respective testators or donors or by the Board of Directors, bequests, gifts, transfers of property and other benefits at any time received by the Federation shall be added to and become a part of the Unrestricted Gift and Legacy Fund.

Unless otherwise designated by the respective donors or the Board of Directors, all funds received by the Federation from JUF, the United Way of Metropolitan Chicago and similar organizations, shall be treated as income, may be used for current operating purposes of the Federation and shall not become a part of the Endowment Fund.

7.3 Appropriations of any kind, other than appropriations from the principal of the Endowment Fund, shall be made only by an affirmative vote of a majority of the Directors present at a meeting at which a quorum is present. Appropriations from the principal of the Endowment Fund shall be made only by an affirmative vote of at least two-thirds of the Directors present at a meeting and of at least a majority of the whole Board of Directors.

ARTICLE VIII

Indemnification

8.1 The Federation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Federation) by reason of the fact that he or she is or was a director, officer, committee member, trustee, employee or agent of the Federation, or who is or was serving at the request of the Federation as a director, officer, committee member, trustee, 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 Federation, 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 Federation or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

8.2 The Federation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Federation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, committee member, trustee, employee or agent of the Federation, or is or was serving at the request of the Federation as a director, officer, committee member, trustee, 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 Federation, 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 gross negligence or

willful misconduct in the performance of his or her duty to the Federation, 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.

8.3 For purposes of this Article, no person who is or was serving as a director, officer, committee member, trustee or agent of an Affiliated Organization or Beneficiary Organization of the Federation shall be deemed to be or to have been serving in such capacity at the request of the Federation. However, the Board of Directors of the Federation may, but shall have no obligation to, accord indemnification, on such terms and conditions as such Board of Directors may determine, to any such person.

8.4 Any indemnification under Sections 8.1 and 8.2 (unless ordered by a court) shall be made by the Federation only as authorized in the specific case, upon a determination that indemnification of the director, officer, committee member, trustee, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 8.1 or 8.2. Such determination shall be made (1) 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, or (2) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by legal counsel regularly retained by the Federation (whether or not such counsel is a member or director of the Federation), or if such counsel fails or refuses to do so, by independent legal counsel, (whether or not such counsel is a member or director of the Federation), or (3) by the members entitled to vote, if any.

8.5 Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Federation 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, committee member, trustee, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Federation as authorized in this Article.

8.6 The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of members or 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, committee member, trustee, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.7 The Federation may purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, trustee, employee or agent of the Federation or who is or was serving at the request of the Federation as a director, officer, committee member, trustee, 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

Federation would have the power to indemnify such person against such liability under the provisions of this Article.

8.8 If the Federation has paid indemnity or has advanced expenses under this Article to a director, officer, committee member, trustee, employee or agent, the Federation shall report the indemnification or advance in writing to the members with or before the notice of the next meeting of the members.

8.9 For purposes of this Article, references to "the Federation" may at the option of the Federation, include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers, committee members, trustees, employees or agents, so that any person who was a director, officer, committee member, trustee, employee or agent of such merging corporation, or was serving at the request of such merging corporation as a director, officer, committee member, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, would stand in the same position under the provisions of this Article with respect to the surviving corporation as such person would have with respect to such merging corporation if its separate existence had continued.

8.10 For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Federation" shall include any service as a director, officer, committee member, trustee, employee or agent of the Federation which imposes duties on, or involves services by such director, officer, committee member, trustee, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries. A person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Federation" as referred to in this Article.

ARTICLE IX

Meetings

9.1 The annual meeting of the Federation shall be held at such time in August, September or October of each year, and at such place in the City of Chicago as may be designated by the Board of Directors and at least fifteen (15) days' prior written notice thereof shall be mailed to all members of the Federation.

9.2 At the annual meeting, the Chairman of the Board shall submit a report of the work for the fiscal year preceding the meeting and the Treasurer a report of all receipts and disbursements and a statement of the financial condition of the Federation for such fiscal year.

9.3 Special meetings of the members may be called by the Chairman of the Board or the Board of Directors and shall be held at such place in the City of Chicago as may be designated by the Chairman of the Board or the Board of Directors. Special meetings of the members may also be called by members having 1,250 of the votes entitled to be cast at such meeting. The call for a special meeting shall specify the purpose for which the meeting is called, and no other business than that mentioned in the call shall be transacted at such meeting. Written or printed notice of such meeting shall be mailed to each member at least ten (10) days prior to the time fixed for such meeting.

9.4 At any meeting one hundred members present in person or represented by proxy shall constitute a quorum. If there is no quorum, the members present may adjourn the meeting from time to time until a quorum is secured.

ARTICLE X

Rules of Order

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Federation in all cases to which they are applicable and in which they are not inconsistent with these By-Laws or any special rules of order the Federation may adopt.

ARTICLE XI

Disclosure of Membership

11.1 All members of the Board of Directors and community members of committees shall submit to the Board of Directors on or before March 1 of each year, or at any other time if requested by the Chairman of the Board or the President, a written statement disclosing membership on the Board of Directors or similar governing body of any Affiliated or Beneficiary Organization since the beginning of the preceding calendar year.

11.2 Before any Director or committee member shall participate in any discussion at a meeting of the Federation Board or the committee of which he is a member relating to an Affiliated or Beneficiary Organization, or any other organization seeking financial support from Federation, of which he is a Board or staff member, he shall orally disclose such membership or employment to the Board or committee.

11.3 Nothing contained in this Article XI shall preclude any member of the Board of Directors or committee member from voting on any matter.

ARTICLE XII

Conflict of Interest

12.1 All members of the Board of Directors, community members of committees, and key members of the executive staff shall submit to the Board of Directors on or before March 1 of each year, or at any other time if requested by the Chairman of the Board or the President, a written statement disclosing his principal business or occupation and any financial transactions since the beginning of the preceding calendar year which he or any member of his immediate family (parent, child or spouse) may have had with Federation or any Affiliated or Beneficiary Organization.

12.2 The Chairman of the Board shall appoint a subcommittee of the Executive Committee to receive and review the written statements required pursuant to Section 12.1, and when necessary to refer any conflict of interest to the Executive Committee for appropriate recommendation.

12.3 No Director or committee member shall actively participate in or vote upon a decision on any matter in which he or any member of his immediate family (parent, child or spouse) may have a financial interest. Provided that appropriate disclosure has been made as required by this Article XII, nothing herein contained shall prevent Directors, committee members or organizations with which they are associated from serving, counseling, selling to, or contracting with the Federation. Failure of any Director or committee member to disclose a financial interest, as described herein, shall be reviewed by the Executive Committee for appropriate action. Any recommendation made by the Executive Committee must be approved by a majority of the entire Board.

12.4 A key member of the executive staff shall not be disqualified by his association with or financial interest in any other organization, company, group, or individual of any kind from making any decision concerning the administration and direction of the departments and operations of Federation; provided that, prior to making such decision, such person makes full disclosure of his association or financial interest to the Chairman of the Board or the President. Failure of any such staff member to make such disclosure shall subject him to review of the continuation of his employment and possible dismissal or other appropriate action by the Chairman of the Board or the President.

ARTICLE XIII

Amendments

The By-Laws may be amended at any regular or special meeting of the Board of Directors by the affirmative vote of at least two-thirds of the Directors present at any such meeting and of at least a majority of the whole Board, provided that notice of each proposed amendment shall be mailed to each Director at least seven (7) days before the date of such meeting.

ARTICLE XIV

Repeal

All By-Laws in force prior to the adoption of these By-Laws are hereby repealed.

ARTICLE XV

Gender

The masculine pronoun shall be deemed to include the feminine pronoun wherever used in these By-Laws.

ARTICLE XVI

Electronic Means

16.1 Notice. Any notice required or permitted by these Bylaws or by the Illinois General Not For Profit Corporation Act of 1986, as amended, shall be effective if transmitted by electronic means to the address that appears in the records of the Federation for the person to whom the notice is to be delivered.

16.2 Corporate Actions. Actions required by these Bylaws or by the Illinois General Not For Profit Corporation Act of 1986, as amended, to be “written”, to be “in writing”, to have “written consent”, to have “written approval” and the like by members, directors or committee members shall include any communication transmitted or received by electronic means.