

CONSTITUTION AND BYLAWS
OF
CATHOLIC HOLY FAMILY SOCIETY

Approved as of June 22, 2018

Article I
Name

Section 1. The name of the Society shall be Catholic Holy Family Society.

Article II
Principal Office

Section 2. The principal office of the Society shall be located in Belleville, St. Clair County, Illinois.

Article III
Objectives

Section 3. The objectives of the Society are as stated in the Articles of Incorporation of the Society.

Article IV
Membership

Section 4. There shall be three classes of membership: Beneficial, Social and Juvenile.

A Beneficial Member is:

- a) Any Catholic or any other person who is willing to support the principles and objectives of the Society;
- b) and has been accepted for membership in accordance with the eligibility rules of the Society;
- c) and is not younger than age 16;
- d) and is an insured or an annuitant under any benefit certificate or is a recipient of a settlement agreement benefit, issued by the Society;
- e) and is of good moral character.

Beneficial Members may participate in the affairs and activities of the subordinate Councils in which they are members and may hold office therein. Beneficial Members may also participate in the corporate and insurance affairs of the Society in accordance with these bylaws.

A Social Member is:

- a) Any person who has been accepted for membership in accordance with the eligibility rules of the Society;
- b) and is not younger than age 16;
- c) and is not a Beneficial Member.

Social Members may participate in the affairs and activities of the subordinate Councils in which they are members and may hold office therein. Social Members shall have no voice or vote in the corporate and insurance affairs of the Society.

A Juvenile Member is:

- a) Any person who has been accepted for membership in accordance with the eligibility rules of the Society;
- b) and is younger than age 16.

Juvenile Members may participate in the affairs and activities of the subordinate Councils in which they are members. Juvenile Members shall have no voice or vote in the corporate and insurance affairs of the Society.

Section 5. The Society may insure the lives of any juveniles under age 16, who have been accepted for membership in accordance with the eligibility rules of the Society. At age 16 the insured juvenile shall become a Beneficial Member.

Section 6. Application for membership shall be a form in use by the Society. Applicants for membership may be required to undergo a medical examination or furnish a declaration of insurability satisfactory to the Society as required by the rules and regulations of the Board of Directors.

Article V Convention

Section 7. The Supreme Governing Body of the Society will be known as the Convention and shall be composed of elected delegates from districts and the members of the Board of Directors referred to collectively as the “Delegates.”

Section 8. Regular Conventions shall be held quadrennially during the month of August. With the approval of the Board of Directors, the CEO shall determine the exact date and place of the Convention.

Section 9. Special Conventions may be held upon petition presented to the President in writing by a majority of the members of the Board of Directors. Such special Convention shall be held at such time and place as may be determined by the Board of Directors. No business may be taken up at such special Convention except for the purpose for which called, which purpose shall be clearly and distinctly set forth in the call for the special Convention. A call for a special Convention shall be deposited in the United States mail at least twenty-one days prior to the convening of such special Convention, addressed to each Delegate at his/her last known address as shown by the records of the Society.

In lieu of convening of a special Convention, the Board of Directors may send a written ballot to all of the Delegates of the Convention. The ballot may include one or more resolutions that could be considered and adopted at a special Convention. Such ballot shall specify a date by which the ballot shall be returned, which shall not be less than 21 days from the date the ballot was sent to the Delegates electronically or by depositing in the United States mail. A resolution shall be deemed adopted upon receipt of valid ballots in favor of such resolution, equal in number to the number of votes that would have been needed to adopt the resolution at a meeting of the Convention at which all Delegates are in attendance. “Written ballot” includes a ballot transmitted or received by electronic means. The tally of such written ballots shall be confirmed by a CPA or accounting firm selected for this purpose by the Board of Directors.

Section 10. A majority of the Delegates entitled to attend any regular or special Convention when assembled, shall constitute a quorum for the transaction of all business, but a smaller number may adjourn the Convention for lack of a quorum.

Section 11. Delegates elected by the districts shall constitute a majority in number and shall not have less than two-thirds of the total votes of the Convention. If their total voters are less than the number of votes required, the votes cast by each member of the Board of Directors shall be reduced to a fraction of a vote which will make the total votes cast by them equal to one-third of the total votes.

Section 12. In all Conventions of the Society, no Delegates shall cast more than one vote on any question submitted therein, and the Delegates shall not vote by proxy.

Section 13. Mileage and per diem for the Delegates to Conventions shall be paid by the Society as determined by the Convention.

Article VI Committees of the Convention

Section 14. The President shall appoint Delegates to serve on the following temporary committees of the Convention:

- a) **Credentials Committee.** This committee shall examine and pass upon the credentials of the Delegates to the Convention
- b) **Governance Committee.** This committee shall review proposed amendments to these bylaws or the Articles of Incorporation of the Society and prepare recommendations for consideration by the Convention. Any proposed amendments to these bylaws or the Articles of Incorporation of the Society must be submitted to the Governance Committee for review prior to a meeting of the Convention. Upon review of the committee's report, action may be taken by the Convention.
- c) **Resolutions Committee.** This committee shall consider resolutions presented to the Convention, and submit them to the Convention with its recommendations.
- d) **Finance Committee.** This committee shall examine the financial standing of the Society and render its report to the Convention. They shall also recommend the following to the Convention:

- 1) Reasonable annual stipend for elected Board of Directors;
- 2) Reasonable per diem for the Board of Directors for attendance at Board meetings; and
- 3) Per diem and mileage allowance for those attending the Convention.

e) **Judicial Committee.** This committee shall investigate all grievances referred to the Convention and to make recommendations as to their resolution.

The President shall also appoint a Chair, who shall be a member of the Board of Directors, for each of these committees.

Article VII ***District Delegate Election***

Section 15. Before February 1 st of the Convention year, the Beneficial Members of the Society shall be divided into districts and the number of members of the Board of Directors to be elected by each district shall be determined in a manner designed to provide substantially equal representation of members. The authority to establish districts and allocate the number of members by such districts shall be performed by the CEO with approval vested in the Board of Directors.

Section 16. Districts shall have the right to elect from their membership one Delegate and one alternate to the regular quadrennial Convention for each 600 members of the district, or major fraction thereof. Districts with fewer than 600 members shall elect one Delegate and one alternate. The alternate shall serve only in the event that the duly elected district Delegate is unable or refuses to attend the Convention.

Section 17. Every district Delegate and alternate must be a citizen of the United States and a beneficial member of the Society.

Section 18. Delegates and their alternates for the regular quadrennial Convention shall be elected by the districts according to the following procedure:

- a) The CEO shall calculate the number of Delegates and alternate Delegates each district is entitled to elect to the Convention with approval from the Board of Directors.
- b) During the month of February preceding the Convention, the Society shall advise each member of his/her home district and the number of Delegates and alternates to be elected by the district to the Convention.

- c) During the month of March, any beneficial member may nominate beneficial members, including himself or herself, up to the number of Delegates and alternates allowed for that district. All nominations shall be made on forms prescribed by the Society. Only nomination forms postmarked, delivered, or transmitted prior to 12:00 midnight March 31st shall be considered.
- d) During the month of April, all nomination forms received shall be reviewed and compiled by the CEO. An official ballot shall be prepared for each district and sent to beneficial members of each district prior to May 1st.
- e) During the month of May, beneficial members shall vote on the nominees to represent their district. All ballots must be postmarked, delivered or transmitted prior to 12:00 midnight May 30th. Nominees shall be elected as Delegates and then alternate Delegates in the order of the number of votes cast.
- f) During the month of June, the Society shall notify the Delegates and alternates chosen, and the results shall be published in the next edition of the official publication.

Section 19. Delegates and alternate Delegates shall hold office until their successors are duly elected and qualified. The duly elected and qualified Delegates and alternates to the most recent regular quadrennial Convention shall be the Delegates and alternates to any special Convention called prior to the next quadrennial Convention.

Article VIII ***Board of Directors***

Section 20. The affairs of the Society shall be managed by the Board of Directors between regular meetings of the Convention. The Board of Directors shall have the authority to provide rules and regulations for the extension and development of the Society, and shall have all other necessary and incidental powers to carry out the objects of the Society and such other duties as prescribed by these bylaws.

Section 21. The Board of Directors shall be composed of the President, the First Vice President, the Secretary, the Treasurer, the Recording Secretary, the Chief Executive Officer, and six (6) additional directors (such additional directors designated as “District Directors”).

Section 22. The Board of Directors shall meet at least quarterly at such dates and times as set by the President or the Board of Directors.

Section 23. Special meetings of the Board of Directors may be called by the President or Secretary and shall be called by the Secretary on the written request of any five (5) members of the Board of Directors.

Notice of a special meeting shall be transmitted to each member of the Board of Directors at least seven calendar days before the date of the meeting by mail, facsimile or electronic means. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage prepaid. If sent by facsimile or electronic means, such notice shall be deemed to be delivered upon transmission.

Section 24. Meetings of the Board of Directors shall be held at the Home Office of the Society, unless the President or the Board of Directors designates an alternative location.

Section 25. A majority of the Board of Directors shall constitute a quorum but a smaller number may adjourn a meeting of the Board of Directors for lack of a quorum.

Section 26. The President shall be the chairperson of the Board of Directors. The Recording Secretary shall be the secretary thereof and shall keep a complete record of the minutes and all transactions of the Board of Directors.

Section 27. The Board of Directors may appoint committees of the Board of Directors to have such authority as it may delegate. Each committee shall consist of three (3) or more members of the Board of Directors. A majority of the members of each committee shall constitute a quorum for the transaction of all committee business.

Section 28. The Board of Directors and any committee or sub-committee of the Board of Directors, or any other meeting of the Society at which written minutes are kept, except the Convention, may meet by telephone conference or other means of communication that allows all participants to simultaneously communicate with each other.

Section 29. Any action required or permitted to be taken by the Board of Directors or any committee or sub-committee of the Board of Directors may be taken without a meeting by written consent of all of its members. A written consent under this provision shall have the same force and effect as a vote taken at a meeting.

Article IX
District Director Members of the Board of Directors

Section 30. District Directors shall be elected at the regular quadrennial Convention for terms of four (4) years and shall hold office until their respective successors are duly elected and qualified.

Section 31. There shall be six (6) District Directors elected from five (5) Districts. One District Director shall be elected from each district except District 5, which shall elect two (2) District Directors. District Directors shall be Roman Catholic in religion and belief.

The fifth (5) District will be composed of all members of the Society who reside in the southern one-half of Illinois.

Section 32. Should a vacancy occur in a District Director position for any reason between Conventions, such vacancy shall be filled by appointment of a member who resides in the district by the Board of Directors. Such appointment shall be by a majority vote of the Board of Directors and shall only be for the unexpired term of the office.

Article X
Officers of the Board of Directors

Section 33. The elective officers of the Society shall be the President, First Vice President, Recording Secretary and the Treasurer who shall be elected at the regular quadrennial Convention for terms of four years and who shall hold office until their respective successors are duly elected and qualified.

Section 34. Should a vacancy occur in an elected office for any reason between Conventions, such vacancy shall be filled by appointment by the Board of Directors. Such appointment shall be by a majority vote of the Board of Directors and shall only be for the unexpired term of the office.

Section 35. An elective officer of the Society shall maintain a permanent residence in a state where the Society is licensed to do business.

Section 36. The President shall serve as Chairman of the Board, shall preside at all Conventions and shall be Roman Catholic in religion and belief.

Section 37. The First Vice President shall possess and exercise all of the powers and duties of the President in case of the death, absence, refusal or inability of the President to act on a temporary basis or until the office is filled by the Board of Directors. He/she shall perform any additional duties as assigned by the Board of Directors. The First Vice President shall be Roman Catholic in religion and belief.

Section 38. The Recording Secretary shall keep the minutes of all Conventions and of the Board of Directors meetings and shall perform any additional duties assigned to him/her by the Board of Directors. The Recording Secretary shall be Roman Catholic in religion and belief.

Section 39. The Secretary of the Society shall be a member of the Board of Directors and shall report to the CEO. The Secretary shall be the custodian of all books, records and properties of the Society, may sign all vouchers drawn on the Society and affix the seal to all documents and perform any additional duties incidental to the office or assigned by the CEO or Board of Directors. The Secretary shall be a full time employee of the Society, appointed by the Board of Directors, and may not engage in any other business unless approved in writing by the Board of Directors. The Secretary shall be Roman Catholic in religion and belief.

Section 40. The Treasurer shall be responsible for maintaining an accurate account of all monies and transactions of the Society. The Treasurer shall be Roman Catholic in religion and belief.

At the regular Convention, he/she shall render an accurate account of all financial transaction of the Society and also of other important business. He/she shall submit to Board of Directors, statements of the financial and general condition of the Society. He/she shall make all statements and reports required by law, and shall make a financial statement annually for publication in the official publication of the Society.

He/she shall also perform all other incidental duties pertaining to the office, and any additional duties assigned to him/her by the Board of Directors.

Section 41. The Chief Executive Officer (“CEO”) of the Society shall be a member of the Board of Directors and is vested with the management, supervision and control of the Society. The CEO shall be a full time employee of the Society, appointed by the Board of Directors and shall be located at the Society’s Home Office in Belleville, Illinois. The CEO may not engage in any other business unless approved in writing by the Board of Directors. The CEO shall have the authority to employ, appoint or contract with any Society employee or agent and to set salaries, commissions, and bonuses subject to any requirements established by the Convention, Board of Directors, Articles of Incorporation and Bylaws of the Society. The CEO shall perform all other usual and incidental duties pertaining to the office and such other duties as assigned by the Board of Directors. Society Officers, other than Officers of the Board of Directors, shall be appointed by the CEO.

Article XI
Spiritual Advisor

Section 42. The Spiritual Advisor, who shall be appointed by the President, shall be the spiritual advisor to the Society, attend meetings of the Convention and may attend meetings of the Board of Directors with voice but no vote, and act in all spiritual matters on behalf of the Society. The compensation for the Spiritual Advisor shall be set by the Board of Directors. The Spiritual Advisor shall be Roman Catholic in religion and belief.

Article XII
President's Advisory Council

Section 43. The President may appoint a President's Advisory Council, who may attend meetings of the Board of Directors and have a voice but no vote on matter brought to the attention of the Board. Any member appointed to this Council must be Roman Catholic in religion and belief.

Article XIII
Qualification, Nomination and Removal

Section 44. The Board of Directors shall establish minimum qualifications for all members of the Board of Directors, recruit qualified candidates for members of the Board of Directors, and screen candidates to determine if they meet the minimum qualification set by the Board of Directors for the office sought. The Board of Directors shall also establish a procedure to share this information, in a timely manner, with the Convention Delegates. The Board of Directors shall establish procedures for candidates to submit timely requests to be included on the ballot.

Section 45. Society employees and individuals selling or managing the sale of the Society's insurance or annuities are not eligible to be elected or serve as a member of the Board of Directors, other than the Chief Executive Officer and Secretary.

Section 46. In contested elections, the Board of Directors shall recommend to the Delegates their choice of the best qualified candidate for the position.

Section 47. Any member of the Board of Directors may be removed for cause by an affirmative vote of two-thirds of all members of the Board of Directors at a Board of Directors meeting called for that purpose. "Cause" shall include:

- a) Inability to perform the member's duties because of incapacity or disability;
- b) Failure or neglect to perform any of the member's duties;
- c) Engaging in conduct that is a conflict of interest with the Society or brings any just criticism to the Society;
- d) District Director changing residence to a point outside the district from which he/she was elected;
- e) An elected officer's failure to maintain a residence within a state in which the Society is licensed to do business;
- f) Failure to maintain membership in the Society;
- g) Breaching a fiduciary duty owed to the Society, its members or beneficiaries; or
- h) Materially violating these bylaws, the Society's Articles of Incorporation, or any code of conduct policy adopted by the Society.

A determination of "Cause" shall be made in the reasonable discretion of the Board of Directors. The individual whose status is at issue shall not be entitled to vote in the matter.

Article XIV Official Bonds

Section 48. Corporate surety bonds shall be secured and the premiums thereof paid by the Society for the President, Secretary, Treasurer and any other office, employee or agent of the Society designated by the Board of Directors in an amount as determined by the Board of Directors.

Article XV
Indemnification

Section 49. The Society will completely indemnify to the full extent, now or subsequently permitted by law, any member of the Board of Directors or other officer of the Society who was, is, or has been threatened to be made a party to any contemplated, pending, or completed action:

- a) Wherever the action may be brought;
- b) Whether civil, criminal, administrative, or investigative;
- c) Brought because that person is or was a member of the Board of Directors;
- d) Against all expenses, attorney fees, judgments, costs, fines, and amounts paid in settlement actually and reasonably incurred by that person in connection with the investigation, defense, handling, negotiation, and settlement of any action, suit, or proceeding.

Section 50. The Society shall maintain insurance on each director, officer or employee of the Society against any liability asserted against such director, officer or employee incurred or arising out of such capacity.

Article XVI
Funds and Investments

Section 51. There shall be established and maintained by dues and assessments collected from members and from all other income of the Society, a fund or funds for the payment of death and other benefits and for the accumulation of reserve on certificates as provided by law and/or the benefit certificates, and for the expense of management and extension of the Society. The Board of Directors shall have supervision over the operations of the funds of the Society which shall be vested in accordance with the investment policies adopted by the Board of Directors and all applicable laws.

Article XVII
Councils

Section 52. The subordinate member units of the Society shall be referred to in these bylaws as "Councils." The Board of Directors may adopt other names for such subordinate units.

Section 53. Councils are organized to unite members and their families to foster friendship and true charity, to provide spiritual enrichment through faith-based activities and to provide assistance to any lawful social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic, civic or other activity for the benefit of the public or its members.

Section 54. Councils may be chartered by the Board of Directors upon petition of at least ten beneficial members. The petition shall be in the form prescribed by the Board of Directors and shall indicate acceptance of the Articles of Incorporation and Bylaws of the Society.

Section 55. The Board of Directors may withdraw the charter of any Council in event it is determined to be in the best interest of the Society. The Board of Directors shall provide for the disposition of property of Councils that have been suspended or dissolved in a manner consistent with the purposes of Councils.

Section 56. The Board of Directors shall have the power and authority to issue regulations governing the conduct of Councils. Councils shall have the right to make and adopt bylaws in conformity with the Articles of Incorporation and Bylaws of the Society and all regulations and requirements of the Board of Directors. Such laws, alterations or amendments are to take effect only upon the written approval of the Board of Directors.

Section 57. Regular meetings of the Councils shall be held as frequently as required by law.

Article XVIII Compensation

Section 58. Reasonable board fees shall be as approved by the Convention. Reasonable compensation for the Chief Executive Officer shall be reviewed by the Board of Directors annually.

Reasonable compensation of all other employees and agents shall be determined by the Chief Executive Officer, subject to the policies of the Board of Directors. A determination of reasonable compensation shall take into account, among others, the services rendered, the performance of the individual, the performance of the Society, market and industry standards and compensation paid by similarly situated fraternal benefit societies.

Article XIX Official Publication

Section 59. The Society shall have an official publication. The name of the official publication shall be determined by the Board of Directors. Any notice, report or statement required by law, including notice of election, may be published in the official publication. A copy of the official publication shall be sent to Society members as shown on the records of the Society, except that if Society records show that two or more members have the same mailing address, an official publication mailed to one of them is deemed mailed to all of them at the same address unless a

separate copy is requested. The official publication shall be published in such form and at such periods as the Board of Directors may determine.

Section 60. All amendments of the Articles of Incorporation or bylaws of the Society or a synopsis thereof shall be published in the official publication or mailed directly to members within the time required by the laws of the State of Illinois.

***Article XX
Rules of Procedure***

Section 61. If the Articles of Incorporation or bylaws of the Society are silent as to any procedural aspect of any action or meeting hereunder, the procedures of the latest edition of Roberts Rules of Order shall control such procedure.

***Article XXI
Benefit Certificates***

Section 62. The Board of Directors has authority to issue any type of benefit certificate permitted by the insurance laws of the State of Illinois covering fraternal societies.

Section 63. The certificate of membership and insurance or annuity, together with any riders or endorsements attached to it, the application, the declaration of insurability (if any) signed by the applicant, the Articles of Incorporation and Bylaws of the Society and all amendments to them, constitute the entire contract when it is issued. Any subsequent changes, additions or amendments to the Articles of Incorporation or bylaws shall be binding upon the applicant member, certificate owner, beneficiaries and other persons affected, and shall govern and control in all respects, except that no changes shall destroy or diminish benefits promised in the certificate when it was issued.

Section 64. Any person upon whose life a certificate is issued prior to attaining the age of majority shall be bound by the terms of the application and certificate and by all the laws and rules of the Society to the same extent as though the age of majority had been attained at the time of application.

Section 65. Benefit certificates may be made payable to such person or persons, entity or interest as may be permitted under the rules and regulations of the Society and applicable state laws.

Unless the beneficiary designation calls for some other method of distribution, if some beneficiaries of the same class die before the insured, the death benefit proceeds shall be paid in full to the surviving beneficiaries of the same class. Each shall share equally the portion of the death benefit proceeds not otherwise disposed of in the certificate. If all beneficiaries, however designated, are dead when the insured dies, the death benefit proceeds, where not otherwise required by law, shall be paid to the owner or to the owner's estate.

A beneficiary shall not have or acquire any claim against the Society whatever until the insured dies unless otherwise provided by law.

No beneficiary change shall take effect unless received by the Society at its principal office. When it is received, any change shall take effect as of the date the request for beneficiary change was signed, as long as the request for change was mailed or actually delivered to the Society while the insured was alive. Such beneficiary change shall be null and void where the Society has made a good faith payment of the proceeds or has taken other action before receiving the change.

Section 66. If the reserves as to all or any class of certificates become impaired, the Board of Directors may require that there shall be paid by the owner to the Society the amount of the owner's equitable proportion of such deficiency as ascertained by the Board of Directors.

If such payment is not made, either (1) it shall stand as indebtedness against the certificate and draw interest not to exceed the rate specified for certificate loans; or (2) in lieu of or in combination with (1) the owner may accept a proportionate reduction in benefits under the certificate.

Article XXII Waiver

Section 67. No subordinate body, nor any of its subordinate officers or members, shall have the power or authority to waive any of the provisions of the laws of the Society. Such provisions shall be binding on the Society and every member and beneficiary of a member.

Article XXIII Amendments

Section 68. These bylaws may be repealed or amended in whole or in part by a two-thirds majority vote at any regular or special Convention.

Section 69. Between meetings of the Convention, the Board of Directors may, by two-thirds vote of all members of the Board of Directors, amend these bylaws in any way necessary to clarify or give effect to Convention enactments, to remove or revise contradictions or ambiguities, or to make those bylaws conform to the laws of the State of Illinois.

Section 70. Amendments to these bylaws shall take effect thirty (30) days after approval by the Illinois Department of Insurance, unless another later time is specified.