

BYLAWS OF ANIMAL AID FOUNDATION

ARTICLE I OFFICES

- 1.01 *Principal Office.* The principal office of the corporation shall be at such place within the state of Michigan as the board of directors may determine from time to time.
- 1.02 *Other Offices.* The board of directors may establish other offices in or outside the state of Michigan.

ARTICLE II MEMBERS

- 2.01 There shall be no members.

ARTICLE III BOARD

- 3.01 *General Powers.* The business, property, and affairs of the corporation shall be managed by the board of directors.
- 3.02 *Number.* There shall be not less than three nor more than seven directors on the board as shall be fixed from time to time by the board of directors.
- 3.03 *Tenure.* Each director of the Corporation shall hold office until the director's death, resignation, or removal.
- 3.04 *Resignation.* Any director may resign at any time by providing written notice to the Corporation. The resignation will be effective on receipt of the notice or at a later time designated in the notice. A successor shall be appointed as provided in section 3.06 of the bylaws.
- 3.05 *Removal.* Any director may be removed with cause by the remaining directors on the board.
- 3.06 *Board Vacancies.* A vacancy on the board may be filled with a person selected by the remaining directors of the board.
- 3.07 *Annual Meeting.* An annual meeting shall be held each year on the first Monday of the month of December. If the annual meeting is not held at that time, the board shall cause the meeting to be held as soon thereafter as is convenient.
- 3.08 *Regular Meetings.* Regular meetings of the board may be held at the time and place as determined by resolution of the board without notice other than the resolution.
- 3.09 *Special Meetings.* Special meetings of the board may be called by the president or any two directors at a time and place as determined by those persons authorized to call special meetings. Notice of the time and place of special meetings shall be given to each director in any manner at least three days before the meeting.
- 3.10 *Statement of Purpose.* 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 for that meeting.
- 3.11 *Waiver of Notice.* The attendance of a director at a board meeting shall constitute a waiver of notice of the 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. In addition, the director may submit a signed waiver of notice that shall constitute a waiver of notice of the meeting.

- 3.12 *Meeting by Telephone or Similar Equipment.* A director may participate in a meeting by conference telephone or any similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.
- 3.13 *Quorum.* A majority of the directors then in office constitutes a quorum for the transaction of any business at any meeting of the board. Actions voted on by a majority of directors present at a meeting where a quorum is present shall constitute authorized actions of the board.
- 3.14 *Consent to Corporate Actions.* Any action required or permitted to be taken pursuant to authorization of the board may be taken without a meeting if, before or after the action, all directors consent to the action in writing. Written consents shall be filed with the minutes of the Board's proceeding.

ARTICLE IV COMMITTEES

- 4.01 *General Powers.* The board, by resolution adopted by a vote of a majority of its directors, may designate one or more committees, each committee consisting of one or more directors. The board may also designate one or more directors as alternate committee members who may replace an absent or disqualified member at a committee meeting. If a committee member is absent or disqualified from voting, then members present at a meeting who are not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint an alternate committee member to act at the committee meeting in place of the absent or disqualified member. All committees designated by the board shall serve at the pleasure of the board.

A committee designated by the board may exercise any powers of the board in managing the corporation's business and affairs, to the extent provided by resolution of the board. However, no committee shall have the power to

- (a) amend the articles of incorporation;
 - (b) adopt an agreement of merger or consolidation;
 - (c) amend the bylaws of the corporation;
 - (d) fill vacancies on the board; or
 - (e) fix compensation of the directors for serving on the board or on a committee.
- 4.02 *Meetings.* Committees shall meet as directed by the board, and their meetings shall be governed by the rules provided in article III for meetings of the board. Minutes shall be recorded at each committee meeting and shall be presented to the board.
- 4.03 *Consent to Committee Actions.* Any action required or permitted to be taken pursuant to authorization of a committee may be taken without a meeting if, before or after the action, all members of the committee consent to the action in writing. Written consents shall be filed with the minutes of the committee's proceedings.

ARTICLE V
OFFICERS

- 5.01 *Number.* The officers of the corporation shall be appointed by the board. The officers shall be a president, a secretary, and a treasurer. There may also be a chairperson, vice president, and such other officers as the board deems appropriate. The president shall be a voting member of the board. Two or more offices may be held by the same person, but such person shall not execute, acknowledge, or verify an instrument in more than one capacity if the instrument is required by law or by the president or by the board to be executed, acknowledged, or verified by two or more officers.
- 5.02 *Term of Office.* Each officer shall hold office for the term appointed and until a successor is appointed and qualified. An officer may resign at any time by providing written notice to the corporation. Notice of resignation is effective on receipt or at a later time designated in the notice.
- 5.03 *Removal.* An officer appointed by the board may be removed with or without cause by vote of a majority of the board. The removal shall be without prejudice to the person's contract rights, if any. Appointment to an office does not of itself create contract rights.
- 5.04 *Vacancies.* A vacancy in any office for any reason may be filled by the board.
- 5.05 *President.* The president shall be the chief executive officer of the corporation and shall have authority over the general control and management of the business and affairs of the corporation. The president may also use the title "executive director". The president shall have power to appoint or discharge employees, agents, or independent contractors, to determine their duties, and to fix their compensation. The president shall sign all corporate documents and agreements on behalf of the corporation, unless the president or the board instructs that the signing be done with or by some other officer, agent, or employee. The president shall see that all actions taken by the board are executed and shall perform all other duties incident to the office. This is subject, however, to the president's right and the right of the board to delegate any specific power to any other officer of the corporation.
- 5.06 *Vice President.* The vice president, if any, shall have the power to perform duties that may be assigned by the president or the board. If the president is absent or unable to perform his or her duties, the vice president shall perform the president's duties until the board directs otherwise. The vice president shall perform all duties incident to the office.
- 5.07 *Chairperson.* The chairperson, if elected, shall preside at all board meetings. The chairperson shall have the power to perform duties as may be assigned by the board. If the president is absent or unable to perform his or her duties, the chairperson shall perform the president's duties until the board directs otherwise. The chairperson shall perform all duties incident to the office.
- 5.08 *Secretary.* The secretary shall (a) keep minutes of board meetings; (b) be responsible for providing notice to each director as required by law, the articles of incorporation, or these bylaws; (c) be the custodian of corporate records; (d) keep a register of the names and addresses of each officer and director; and (e) perform all duties incident to the office and other duties assigned by the president or the board.

- 5.09 *Treasurer.* The treasurer shall (a) have charge and custody over corporate funds and securities; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the corporation at such depositories in the corporation's name that may be designated by the board; (d) complete all required corporate filings; and (e) perform all duties incident to the office and other duties assigned by the president or the board.

ARTICLE VI CORPORATE DOCUMENT PROCEDURE

- 6.01 All corporate documents (including stocks, bonds, agreements, insurance and annuity contracts, qualified and nonqualified deferred compensation plans, checks, notes, disbursements, loans, and other debt obligations) shall not be signed by any officer, designated agent, or attorney-in-fact unless authorized by the board or by these bylaws.

ARTICLE VII INDEMNIFICATION

- 7.01 *Indemnification.* The Corporation will, to the fullest extent now or hereafter permitted by law and by regulations and rulings issued by the Internal Revenue Service, indemnify any Director or officer of the Corporation (and, to the extent provided in a resolution of the Board of Directors or by contract, may indemnify any volunteer, employee or agent of the Corporation) who was or is a party to or threatened to be made a party to any threatened, pending, or completed action, suit or proceeding by reason of the fact that the person is or was a director, officer, volunteer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, volunteer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses (other than taxes, penalties or expenses of correction) including attorneys' fees (which expenses may be paid by the Corporation in advance of a final disposition of the action, suit or proceeding as provided by law), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit or proceeding if the person acted (or refrained from acting) in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and such persons is either successful in his or her defense or the proceeding is terminated by settlement and such person has not acted willfully and without reasonable cause with respect to the corporation duties concerned, and with respect to any criminal action or proceedings, if the person had no reasonable cause to believe his or her conduct was unlawful.
- 7.02 *Insurance.* The Corporation may purchase and maintain insurance on behalf of any such person against any liability (including penalties, taxes, expenses of correction, judgments, settlements or expenses) asserted against him or her and incurred by him or her 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 him or her against such liability under the provisions of this Article or under the provisions of Sections 561 through 565 of the Michigan Nonprofit Corporation Act.

- 7.03 *Rights to Continue.* This indemnification will continue as to a person who has ceased to be a director or officer of the Corporation. Indemnification may continue as to a person who has ceased to be a volunteer, employee or agent of the Corporation to the extent provided in a resolution of the Board of Directors or in any contract between the Corporation and the person. Any indemnification of a person who was entitled to indemnification after such person ceased to be a director, officer, volunteer, employee or agent of the Corporation will inure to the benefit of the heirs and personal representatives of that person.

ARTICLE VIII COMPENSATION

- 8.01 Directors will serve without compensation but may be reimbursed for actual, reasonable and necessary expenses incurred by a Director in his or her capacity as a Director.

ARTICLE IX CONFLICTS OF INTEREST

- 9.01 *Purpose.* The purpose of the conflict of interest policy is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

9.02 *Definitions.*

- (1) **Interested Person.** Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- (2) **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement.
 - b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 9.03 a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

9.03 (1) Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(2) Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(3) Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(4) Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

9.04 *Records.*

- (1) The minutes of the board of directors and all committees with board delegated powers shall contain:
 - a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board of director's or committee's decision as to whether a conflict of interest in fact existed.
 - b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

9.05 *Compensation*

- (1) A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (2) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (3) No voting member of the board of directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

9.06 *Annual Statement.* Each director, principal officer and member of a committee with Board of Director's delegated powers shall annually sign a statement which affirms such person:

- (1) Has received a copy of the conflicts of interest policy,
- (2) Has read and understands the policy,
- (3) Has agreed to comply with the policy, and
- (4) Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

9.07 *Periodic Reviews.* To ensure the Corporation operates in a manner consistent with the charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (1) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (2) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services,

further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

- 9.08 *Use of Outside Experts.* When conducting the periodic reviews as provided for in section 9.07, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

ARTICLE X
FISCAL YEAR

- 10.01 The fiscal year of the corporation shall end on December 31.

ARTICLE XI
AMENDMENTS

- 11.01 The Board of Directors at any regular or special meeting may amend or repeal these bylaws, or adopt new bylaws by vote of a majority of the directors, if notice setting forth the terms of the proposal has been given in accordance with any notice requirement for such meeting of the board.