

BYLAWS
OF
AO NORTH AMERICA, INC.

(a Pennsylvania nonprofit corporation)

ARTICLE I.

PURPOSE AND ACTIVITIES

Section 1.01. PURPOSE AND ACTIVITIES. AO North America, Inc. (the “Corporation”), is incorporated under the Nonprofit Corporation Law of 1988 of the Commonwealth of Pennsylvania (the “NCL”) for exclusively charitable, educational, religious, literary and/or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any successor United States Internal Revenue Law) (the “Code”). In furtherance of the Corporation’s purposes, the Corporation will engage in charitable activities, including, but not limited to:

- (a) directly or indirectly, supporting, operating for the benefit of, performing the functions of, and/or carrying out the purposes of AO North America Charitable Fund, a Pennsylvania nonprofit corporation exempt under Code Section 501(a) and described in Code Sections 501(c)(3) and 509(a)(1) or (2) (the “Member”);
- (b) offering and conducting continuing medical education courses;
- (c) providing grants for fellowship and medical research purposes;
- (d) encouraging and motivating the making of gifts and donations by deed, will, or otherwise, for the advancement, promotion, extension, and maintenance of the various causes and objectives fostered by the Member and undertaking other activities in support of the general purposes of the Member;
- (e) serving as an “endowment” fund for the Member;
- (f) holding title to and managing certain property that is donated to, or for the benefit of, the Member; and
- (g) making distributions for charitable purposes.

The Corporation will be operated, supervised, or controlled by the Member.

Section 1.02. CLINICAL DIVISIONS. The Corporation will fulfill its mission through various “clinical divisions.” A “clinical division” is defined as a focused area of clinical expertise of the Corporation as determined by the Board of Directors of the Corporation (the “Board of Directors”). As of the date these Bylaws were adopted, the Corporation’s clinical

divisions consist of “CMF,” “Spine,” “Trauma,” and “VET.” The Board of Directors may, in its sole discretion, create additional clinical divisions and shall determine their roles in the Corporation’s governance.

ARTICLE II.

OFFICES AND FISCAL YEAR

Section 2.01. REGISTERED OFFICE AND MAILING ADDRESS. The initial registered office of the Corporation shall be 435 Devon Park Drive, Building 800, Suite 820, Wayne, Chester County, Pennsylvania 19087. The mailing address of the Corporation shall be 435 Devon Park Drive, Suite 820, Wayne, Pennsylvania 19087.

Section 2.02. PRINCIPAL PLACE OF BUSINESS AND OTHER OFFICES. The principal place of business of the Corporation shall be located at 435 Devon Park Drive, Building 800, Suite 820, Wayne, Pennsylvania 19087. The Corporation may also have offices at such other places, within or outside of Pennsylvania, as the Board of Directors may from time to time appoint or the business of the Corporation may require.

Section 2.03. FISCAL YEAR. The fiscal year of the Corporation shall end on the last day of December.

ARTICLE III.

NOTICE - WAIVERS - MEETINGS GENERALLY

Section 3.01. MANNER OF GIVING NOTICE.

(a) General Rule. Whenever notice is required to be given to any person under the provisions of the NCL, the Corporation’s Articles of Incorporation (the “Articles”) or these Bylaws (these “Bylaws”), it may be given to such person, either personally, by telephone or by sending a copy thereof by first class mail, postage prepaid, by recognized national or international courier service, by facsimile with transmittal confirmation, or by electronic mail (“e-mail”) with transmittal confirmation, to his or her address (including his or her e-mail address) or telephone or facsimile number appearing on the books of the Corporation or, in the case of the sole member of the Corporation (the “Member”) or a member of the Board of Directors (each, a “Director” and collectively, the “Directors”), supplied by it, him or her to the Corporation for the purpose of notice. If the notice is sent by first class mail or recognized national or international courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with such courier service. If the notice is sent by e-mail or facsimile transmission, it shall be deemed to have been given to the person entitled thereto upon transmittal confirmation.

(b) Adjourned Meetings. When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an

adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 3.02. NOTICE OF MEETINGS OF THE MEMBER.

(a) Notice of Annual Meeting. Notice of the annual meeting of the Member shall be given not less than thirty (30) days before the date of the meeting to the Member.

(b) Notice of Special Meetings.

(1) Except as otherwise provided in Section 3.02(b)(2) hereof, notice of a special meeting of the Member shall be given not less than five (5) days before the date of the meeting to the Member.

(2) Pursuant to Section 5704 of the NCL, notice of a special meeting of the Member shall be given not less than ten (10) days before the date of the meeting to the Member if the Member is to discuss and/or approve at such meeting any of the following:

- (i) any amendment to, or the repeal of, any provision of the Articles;
- (ii) the adoption of any plan for the merger or consolidation of the Corporation;
- (iii) the adoption of any plan for the division or conversion of the Corporation;
- (iv) the sale of all or substantially all of the assets of the Corporation; or
- (v) the adoption of any plan for the dissolution or liquidation of the Corporation.

(c) Content. Notice of a meeting of the Member shall specify the place, date and time of the meeting, the general nature of the business to be transacted at such meeting, and any other information required by any other provision of the NCL, the Articles or these Bylaws.

Section 3.03. NOTICE OF MEETINGS OF BOARD OF DIRECTORS.

(a) Notice.

(1) Notice of a regular meeting of the Board of Directors need not be given, except by the adoption of a resolution by the Board of Directors establishing the places, dates, and times of regular meetings.

(2) Notice of a special meeting of the Board of Directors, unless waived, shall be given to each Director not less than one (1) day prior to the day on which such meeting is to be held if such notice is in person, by e-mail or facsimile, and not less than four (4) days

prior to the day on which the meeting is to be held if such notice is by first class mail or recognized national or international courier service.

(b) Content. Every required notice of a meeting of the Board of Directors shall state the place, date, and time of the meeting. Unless otherwise provided by the NCL or these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in a notice of such meeting.

Section 3.04. WAIVER OF NOTICE.

(a) Written Waiver. Whenever any written notice is required to be given pursuant to the provisions of the NCL, the Articles or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of such meeting.

(b) Waiver by Attendance. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 3.05. MODIFICATION OF PROPOSAL CONTAINED IN NOTICE.

Whenever the language of a proposed resolution is included in a written notice of a meeting, the meeting considering the resolution may, without further notice, adopt it with such clarifying or other amendments as do not materially enlarge its original purpose.

Section 3.06. EXCEPTION TO REQUIREMENT OF NOTICE. Whenever any notice or communication is required to be given to any person under the provisions of the NCL, the Articles or these Bylaws, or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action, and communication with such person is then unlawful, the giving of such notice or communication to such person shall not be required.

Section 3.07. USE OF CONFERENCE TELEPHONE AND SIMILAR EQUIPMENT.

One or more persons may participate in a meeting of the Member or a meeting of the Board of Directors, or any committee thereof, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, including, without limitation, by audio and/or audio/visual communications equipment. Participation in a meeting pursuant to Section 3.07 hereof shall constitute presence in person at such meeting.

ARTICLE IV.

MEMBERSHIP

Section 4.01. MEMBERSHIP. AO North America Charitable Fund (referred to above as the “Member”) shall be the sole member of the Corporation. The affairs of the Corporation shall be managed by the Board of Directors and committees thereunder.

Section 4.02. MEMBERSHIP MEETINGS.

(a) Annual Meetings. The annual meeting of the Member shall be held on or before December 31 of each year on such day and at such time and place as the Board of Directors shall designate.

(b) Special Meetings. Unless otherwise prescribed by the NCL or by the Articles, special meetings of the Member may be held for any purpose or purposes and at any time on the call of the Chair of the Board of Directors (the “Chair”) or the President of the Corporation (the “President”), at the request in writing of a majority of the Board of Directors, or at the request in writing of the Member. Such request shall state the purpose or purposes of the proposed meeting. If the Secretary of the Corporation (the “Secretary”) shall fail or refuse to give notice of such meeting, then the notice may be given by the Officer making the call or the Directors or the Member making the request.

(c) Place of Meetings. All meetings of the Member, whether annual or special, shall be held at the offices of the Corporation, or at such other place as may be fixed from time to time by the Board of Directors and included in the notice of such meeting.

(d) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Member may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed on behalf of the Member. The written consent(s) shall be filed with the Secretary.

(e) Fundamental Transactions. All “Fundamental Transactions” as defined in Section 5.10(b) hereof, must be approved in accordance with Section 5.10(b) hereof.

Section 4.03. MEMBER VOTING RIGHTS.

(a) Voting. The Member shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of the Member. In addition to any voting rights provided in these Bylaws, the Member shall be entitled to vote upon any matter with respect to which the NCL requires a vote of the Member. Unless otherwise required by these Bylaws, the manner of voting on any matter, including changes to the Articles or Bylaws, may be by voice vote, show of hands or by ballot. Except as otherwise provided in the NCL, in the Articles or elsewhere in these Bylaws, with respect to any vote that shall be required for a specified action, the vote of the Member who is present (in person, by telephone, by video or by other similar means) or represented by proxy, or who has voted by mail-in or e-mail ballot, shall decide any question brought before such meeting. For the purposes of these Bylaws, a “ballot” shall be defined as

any written documentation (including email transmitted to the Chair), whether a formal ballot or otherwise and whether signed or unsigned, on which a Director, Member or committee member, as applicable, entitled to vote on a particular action or issue reflects his, her or its vote on such action or issue.

(b) Vote of the Member. Unless otherwise expressly provided herein, the Member may not take any action hereunder unless such action is approved by the board of directors of the Member in accordance with the Bylaws of the Member. Following such action by the board of directors of the Member, the board of directors of the Member, the chairman of the board of directors of the Member, the president of the Member or any other representative designated by the board of directors of the Member may cast such vote on behalf of the Member.

Section 4.04. TRANSFER OF MEMBERSHIP. Membership in the Corporation may be transferred or assigned in accordance with Section 5.10(b) hereof.

Section 4.05. ADDITION OF MEMBER(S). The Corporation may admit an additional member or additional members as long as such additional member(s) is(are) approved in accordance with Section 5.10(b) hereof. In the event such additional member(s) is(are) admitted, these Bylaws must be revised to account for more than one (1) Member.

Section 4.06. SENIOR MEMBERS AND VOTING MEMBERS. Notwithstanding any provisions herein to the contrary, the Corporation may create such classes of “membership,” such as Senior Members and Voting Members, as the Board of Directors sees fit, but persons so designated shall not have the rights of members, as that term is used in the NCL. The Rules and Regulations governing Senior Members and Voting Members shall be enacted by the Board of Directors.

ARTICLE V.

BOARD OF DIRECTORS

Section 5.01. POWERS; STANDARD OF CARE.

(a) General Rule. Unless otherwise provided by the NCL or these Bylaws, all powers vested by law in the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

(b) Standard of Care; Justifiable Reliance. A Director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Director, including duties as a member of any committee of the Board of Directors upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- (1) One or more Officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
- (2) Counsel, public accountants or other persons or entities as to matters which the Director reasonably believes to be within the professional or expert competence of such person or entity; and
- (3) A committee of the Board of Directors upon which the Director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

(c) Consideration of Factors. In discharging the duties of their respective positions, the Board of Directors, committees of the Board of Directors and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon communities in which offices or other establishments of the Corporation are located or in which it conducts charitable or other work, and all other pertinent factors. The consideration of those factors shall not constitute a violation of Section 5.01(b) hereof.

(d) Presumption. Absent breach of fiduciary duty, lack of good faith or self-dealing, any action taken as a Director or any failure to take any action shall be presumed to be in the best interests of the Corporation.

(e) Notation of Dissent. A Director who is present (in person, by telephone, by video or other similar means) at a meeting of the Board of Directors, or of a committee of the Board of Directors, at which action on any corporate matter is taken, shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the Director files a written dissent to the action with the Secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary immediately after the adjournment of the meeting. The right to dissent shall not apply to a Director who voted in favor of the action. Nothing in Section 5.01(e) hereof shall bar a Director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the Director notifies the Secretary in writing of the asserted omission or inaccuracy.

Section 5.02. QUALIFICATION AND ELECTION OF DIRECTORS.

(a) Qualifications. Each Director shall be a natural person eighteen (18) years of age or older.

(b) Election of Directors. Directors shall be appointed by the Member in accordance with the terms and conditions of the Director Election Procedures adopted by the Board of Directors.

(c) Initial Directors. The initial Directors shall be those persons named as Directors by the Incorporator of the Corporation upon the instruction of the Member.

Section 5.03. NUMBER AND TERM OF OFFICE.

(a) Number. The Board of Directors shall consist of not less than five (5) nor more than thirteen (13) Directors.

(b) Term of Office.

(1) Except as otherwise provided herein, the term of office for each Director shall be determined by the Member in its absolute discretion. The term of office shall begin at the applicable meeting of the Member at which such Director was appointed. Each Director shall hold office until the expiration of the term for which he or she was appointed and until a successor shall be appointed or until his or her earlier death, resignation, or removal.

(2) The initial Directors shall be appointed for either three (3) or four (4) years, as determined by the Member in its absolute discretion, in order to stagger the terms of the Directors.

(3) A decrease in the number of Directors shall not have the effect of shortening the term of any incumbent Director.

(4) There shall be no limitation on the number of terms of office for the Directors.

(c) Resignation. Any Director may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect on the later of: (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the Director is a party.

Section 5.04. VACANCIES. If a vacancy occurs in the office of a Director for any reason, including an increase in the number of Directors, a Director shall be appointed to the vacant position by the Member, and such Director shall hold office for the unexpired term for which the vacancy occurred, if applicable, and until a successor shall be appointed or until his or her earlier death, resignation or removal.

Section 5.05. REMOVAL OF DIRECTORS. A Director may be removed from office at any time, with or without cause, by the Member, provided that written notice of the intention to consider the removal of such Director has been included in the notice of the meeting at which such removal will be considered and to the Director being considered for expulsion.

Section 5.06. PLACE OF MEETINGS. Meetings of the Board of Directors may be held at such place, within or outside of Pennsylvania, as the Board of Directors may from time to time designate, or as may be designated in the notice of the meeting. If the Board of Directors has not so designated the location of the meeting, the meeting shall be held at the principal office of the Corporation.

Section 5.07. ORGANIZATION OF MEETINGS. The Chair shall preside at all meetings of the Board of Directors. If no individual is currently serving as the Chair, then the

members of the Board of Directors shall appoint a person to serve as the Chair. If there is a Chair but he or she is unable to attend a Board of Directors meeting, then the members of the Board of Directors shall appoint a person to preside at that Board of Directors meeting. The Secretary, or, in the absence of the Secretary, any person appointed by the Chair or the person presiding at that particular meeting, shall act as the Secretary of that meeting.

Section 5.08. **REGULAR MEETINGS.** Regular meetings of the Board of Directors shall be held at such places, dates and times as shall be designated from time to time by resolution of the Board of Directors. One such regular meeting shall be designated, in advance, as the annual meeting of the Board of Directors.

Section 5.09. **SPECIAL MEETINGS.** Special meetings of the Board of Directors may be held at any time on the call of the Chair or the President or at the request in writing of at least two (2) Directors. Any such meeting may be held at such place as the Board of Directors may fix from time to time or as may be specified or fixed in such notice or waiver thereof. Any meeting of the Board of Directors shall be a legal meeting without any notice thereof having been given, if all the Directors shall be present thereat, and no notice of a meeting shall be required to be given to any Director who shall attend such meeting. If the Secretary shall fail or refuse to give notice of such meeting, then the notice may be given by the Officer making the call or the Directors making the request.

Section 5.10. **QUORUM OF AND ACTION BY DIRECTORS.**

(a) **General Rule.** A majority of the Directors in office must be present (in person, by telephone, by video or by other similar means) at a duly called meeting of the Board of Directors in order for there to be a quorum for the transaction of business. Except as otherwise provided herein, the acts of a majority of the Directors eligible to vote and present at a duly called meeting of the Board of Directors where a quorum is present shall be the acts of the Board of Directors.

(b) **Fundamental Transactions.** Any “Fundamental Transaction” (as defined herein) shall require (i) the affirmative vote of two-thirds (2/3) or more of the Directors then in office *and* the affirmative vote of a majority of the board of directors of the Member at a duly called meeting of the board of directors of the Member where a quorum is present or (ii) the affirmative vote of two-thirds (2/3) or more of the board of directors of the Member at a duly called meeting of the board of directors of the Member where a quorum is present.

A “Fundamental Transaction” shall include the following:

- (1) any amendment to, or the repeal and subsequent adoption of, any provision of the Articles or Bylaws;
- (2) the increase or decrease in the authorized number of members of the Board of Directors;
- (3) the transfer or assignment of the Member’s membership interest or a portion of the Member’s membership interest;

(4) the adoption of any plan for the merger, consolidation, or reorganization of the Corporation;

(5) the adoption of any plan for the division or conversion of the Corporation;

(6) the sale of all or substantially all of the assets of the Corporation;

(7) the formation of a subsidiary of the Corporation;

(8) the adoption of any plan for the dissolution or liquidation of the Corporation;

(9) the creation of an additional membership class of the Corporation;

(10) the admission of an additional member or additional members of the Corporation;

(11) the approval, modification or termination of the Signatory and Disbursement Policy of the Corporation (the "Signatory and Disbursement Policy");

(12) the establishment of, increase in or decrease in, compensation for any management personnel of the Corporation; and

(13) a special assessment of dues upon the Member.

(c) Voting Rights. Each Director shall be entitled to one (1) vote.

(d) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Directors may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the Directors then in office and shall be filed with the Secretary.

(e) Absence of Quorum. In the absence of a quorum, a majority of the Directors present (in person, by telephone, by video or by other similar means) may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given, except that notice shall be given to all Directors if the adjournment is for more than thirty (30) days.

Section 5.11. COMPENSATION. Compensation paid, if any, to any Director for services performed in his or her capacity as a Director must be reasonable and approved by the Board of Directors. Directors may be reimbursed by the Corporation for reasonable expenses incurred by such Director in connection with such Director's attendance at regular or special meetings of the Board of Directors, at committee meetings or at other meetings whereby a Director's attendance is requested and approved by the Board of Directors. Further, Directors shall be reimbursed for such other expenses approved by the Board of Directors.

Section 5.12. INVITED GUESTS. The Board of Directors shall be permitted to invite individuals to observe any regular or special meetings of the Board of Directors or committees thereof; provided, however, that such individuals must leave any such meeting if and when directed by the Board of Directors or the members of the applicable committee thereof.

Section 5.13. ANNUAL DUES. The Board of Directors shall approve the annual dues, if any, to be paid by the Member.

Section 5.14. SPECIAL ASSESSMENTS OF DUES. The Board of Directors shall not make a special assessment of dues upon the Member(s) unless unusual or emergency circumstances require such special assessment, and such assessment is approved in accordance with Section 5.10(b) hereof.

Section 5.15. ROBERTS' RULES OF ORDER. The rules contained in the current edition of *Roberts' Rules of Order, Newly Revised* shall govern Board of Directors meetings in all cases to which they are applicable, unless such rules are inconsistent with these Bylaws and/or any special rules of order the Board of Directors may duly adopt.

ARTICLE VI.

COMMITTEES

Section 6.01. COMMITTEES.

(a) Establishment. The Board of Directors may establish one (1) or more committees to consist of one (1) or more Directors and/or such other individuals who may be interested in serving on such committee(s). Unless otherwise set forth in Terms of Reference or any other Rules and Regulations adopted by the Board of Directors, this Article VI shall apply to all committees of the Board of Directors and of the Corporation (including, but not limited to, any clinical division boards).

(b) Powers. Each committee shall have such authority as delegated by resolution of the Board of Directors. Notwithstanding any other provision herein to the contrary, no committee shall have any power or authority:

(1) to act on matters committed by resolution of the Board of Directors to another committee of the Board of Directors; or

(2) to approve Fundamental Transactions.

(c) Committee Quorum and Action. Except as otherwise provided in the resolution of the Board of Directors establishing any committee, a majority of the members of such committee shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the committee members present at a meeting at which a quorum is present shall be the acts of such committee.

(d) Alternate Committee Members. The Board of Directors may designate one or more individuals as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member or alternate member of a committee, the regular or alternate member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another individual to act at the meeting in the place of the absent or disqualified member or alternate member.

(e) Term. Each committee of the Board of Directors shall serve at the pleasure of the Board of Directors.

(f) Meetings. Regular and special meetings of a committee shall be held at such time and place, and in such manner as the members of such committee shall determine.

(g) Notice of Committee Meetings. Notice of a regular meeting of any committee under the Board of Directors need not be given, except by the adoption of a resolution by such committee establishing the places, dates, and times of regular meetings. Notice of a special meeting of any committee under the Board of Directors shall be given to each member of such committee by telephone or in writing (including, without limitation, by facsimile or e-mail) at least twenty-four (24) hours before the time at which the meeting is to be held. Every required notice of a meeting shall state the place, date, and time of the meeting. Unless otherwise provided by the NCL, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice of such meeting.

(h) Resignation. Any committee member may resign at any time by giving written notice to the chair of that particular committee. The resignation shall take effect on the later of (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the committee member is a party.

(i) Vacancies. If a vacancy occurs in the office of a committee member for any reason, including an increase in the number of committee members of a particular committee, such vacancy shall be filled pursuant to the rules of that particular committee, and the committee member shall hold office for the unexpired term for which the vacancy occurred, if applicable.

(j) Removal of Committee Members. A committee member may be removed from office at any time, with or without cause, upon (i) the affirmative vote of two-thirds (2/3) or more of the other committee members then in office and voting, or (ii) by the Board of Directors, provided that written notice of the intention to consider the removal of such committee member has been included in the notice of the meeting at which such removal will be considered.

(k) Voting Rights. Each committee member shall be entitled to one (1) vote.

(l) Action by Unanimous Written Consent. Any action which may be taken at a meeting of a committee may be taken without a meeting, without prior notice, if a consent or

consents in writing setting forth the action so taken shall be signed by all of the committee members then in office and shall be filed with the Secretary.

(m) Roberts' Rules of Order. The rules contained in the current edition of *Roberts' Rules of Order, Newly Revised* shall govern committee meetings in all cases to which they are applicable, unless such rules are inconsistent with these Bylaws and/or any special rules of order that a committee may duly adopt.

(n) Compensation. Compensation paid, if any, to any committee member for services performed in his or her capacity as a committee member must be reasonable and approved by the Board of Directors. Committee members may be reimbursed by the Corporation for reasonable expenses incurred by such committee members in connection with their attendance at regular or special meetings of the Board of Directors, at committee meetings or at other meetings whereby a committee member's attendance is requested and approved by the Board of Directors. Further, committee members shall be reimbursed for such other expenses approved by the Board of Directors.

ARTICLE VII.

OFFICERS

Section 7.01. OFFICERS GENERALLY.

(a) Number, Qualifications and Designation. The officers of the Corporation shall be the President, the Secretary, a Treasurer, an Executive Director, and such other officers as may be designated in accordance with the provisions of this Article VII. In addition to the aforementioned officers of the Corporation, the Board of Directors shall elect the Chair from among the members of the Board of Directors. The Chair shall be an officer of the Board of Directors. The officers of the Corporation and the officers of the Board of Directors each shall be referred to individually as, an "Officer" and collectively as, the "Officers." The Officers shall be natural persons eighteen (18) years of age or older. A person may not hold multiple offices simultaneously.

(b) Resignation. Any Officer may resign at any time by giving written notice to the Board of Directors. The resignation shall take effect on the later of (i) the date the notice is received or (ii) at any other time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Corporation under any contract to which the Officer is a party.

(c) Bonding. The Corporation may secure the fidelity of any or all of its Officers by bond or otherwise. Alternatively, or in addition thereto, the Corporation may obtain fiduciary insurance on behalf of its Officers.

(d) Standard of Care. An Officer shall perform his or her duties as an Officer in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

(e) Compensation. Compensation paid, if any, to any Officer for services performed in his or her capacity as an Officer must be reasonable and approved by the Board of Directors. Officers may be reimbursed by the Corporation for reasonable expenses incurred by such Officer in connection with such Officer's attendance at regular or special meetings of the Board of Directors, at committee meetings or other meetings whereby an Officer's attendance is requested and approved by the Board of Directors. Further, Officers shall be reimbursed for such other expenses approved by the Board of Directors.

Section 7.02. ELECTION, TERM OF OFFICE AND INCOMING PRESIDENT.

(a) Election and Term of Office. The Officers, except those elected by delegated authority pursuant to Section 7.03, shall be elected by the Board of Directors. The Officers other than the President shall hold office for a term of four (4) years and until a successor shall be selected and shall qualify, or until his or her earlier death, resignation, or removal. The President shall hold office for a term of three (3) years and until a successor shall be selected and shall qualify, or until his or her earlier death, resignation, or removal. Except as otherwise provided herein, no individual other than the Executive Director of the Corporation (the "Executive Director") shall serve more than one (1) full term as an Officer.

(b) Incoming President. A presidential nominating committee of the Corporation established pursuant to Article VI hereof (the "Presidential Nominating Committee") shall nominate individuals to become the Incoming President of the Corporation (the "Incoming President"). The term of the Incoming President shall be one (1) year and shall commence one (1) year prior to the date that the President's term expires.

Section 7.03. SUBORDINATE OFFICERS, COMMITTEES AND AGENTS. The Board of Directors may from time to time elect such other Officers and appoint such committees or other agents as the business of the Corporation may require, including one or more assistant vice presidents, one or more assistant secretaries and one or more assistant treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine. The Board of Directors may delegate to any Officer or committee the power to elect subordinate Officers and to retain or appoint other agents or committees thereof, and to prescribe the authority and duties of such subordinate Officers, committees, or other agents.

Section 7.04. NO CONTRACT RIGHTS. Election or appointment of an Officer or agent shall not of itself create any contract rights in the Officer or agent.

Section 7.05. REMOVAL OF OFFICERS AND AGENTS. Any Officer or any agent of the Corporation may be removed from office at any time, with or without cause, by (i) by Board of Directors; or (ii) the affirmative vote of the Member, provided that written notice of the intention to consider the removal of such Officer or agent has been included in the notice of the meeting at which such removal will be considered. Any such removal shall be without prejudice to the contract rights, if any, of any person so removed.

Section 7.06. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled by the Board of Directors, or by the

Officer or committee to which the power to fill such office has been delegated pursuant to Section 7.03 hereof, as the case may be, and if the office is one for which these Bylaws prescribe a term, shall be filled for the unexpired portion of the term, and until a successor shall be appointed or until his or her earlier death, resignation or removal.

Section 7.07. **AUTHORITY.** All Officers, as between themselves and the Corporation, shall respectively have such authority and perform such duties in the management of the property and affairs of the Corporation as are provided in these Bylaws or may be provided by or pursuant to resolutions, consents or orders of the Board of Directors.

Section 7.08. **THE CHAIR.** The Chair shall preside at all meetings of the Board of Directors. The Chair shall have such other duties and responsibilities as shall be delegated to him or her by these Bylaws and by the Board of Directors from time to time.

Section 7.09. **THE PRESIDENT.** The President shall have general supervision over the business and operations of the Corporation, subject, however, to the control of the Board of Directors. The President shall perform all duties incident to the office of President, and such other duties as from time to time may be assigned by the Board of Directors.

Section 7.10. **THE VICE PRESIDENT.** At any time when the President is unable to act, the Vice President of the Corporation (the "Vice President"), if one has been elected/appointed, shall, subject to the limitations set forth in these Bylaws, (a) perform all duties of the President, and (b) have all authority given to the President pursuant to Section 7.09 of these Bylaws. The Vice President shall have such other duties and authority as from time to time may be assigned by the Board of Directors.

Section 7.11. **THE SECRETARY.** The Secretary shall attend all meetings of the Board of Directors (or committees of the Board of Directors) and shall record all votes of the Directors (or committees persons) and the minutes of the meetings of the Board of Directors (or committees) in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the Corporation as required by law; shall be the custodian of the seal of the Corporation and see that it is affixed to all documents which are to be executed on behalf of the Corporation under its seal; and, in general, shall perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned by the Board of Directors or the President. In addition, the Secretary shall annually present a report to the Board of Directors no later than March 31 of each year summarizing all resolutions of the Board of Directors during the preceding fiscal year and certifying the accuracy of the resolutions of the Corporation for such year.

Section 7.12. **THE TREASURER.** The Treasurer of the Corporation (the "Treasurer") shall have or provide for the custody of the funds or other property of the Corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the Corporation; shall deposit all funds in his or her custody as Treasurer in such banks or other places of deposit as the Treasurer or the Board of Directors may from time to time designate; shall, whenever so required by the Board of Directors, render an account showing all transactions as Treasurer and the financial condition of the Corporation; and,

in general, shall discharge such other duties as may from time to time be assigned by the Board of Directors or the President.

Section 7.13. THE EXECUTIVE DIRECTOR. The Executive Director shall have such duties and responsibilities as shall be delegated to him or her by these Bylaws and/or by the Board of Directors from time to time.

ARTICLE VIII.

LIMITATION OF DIRECTORS' AND OFFICERS' LIABILITIES AND INDEMNIFICATION

Section 8.01. LIMITATION OF LIABILITY. To the fullest extent permitted by the NCL, a Director or Officer shall not be personally liable to the Corporation, or others for monetary damages for any action taken or any failure to take any action, unless the Director or Officer has breached or failed to perform the duties of his office and such breach or failure constitutes self-dealing, willful misconduct or recklessness. The provisions of Section 8.01 hereof shall not apply with respect to the responsibility or liability of a Director or Officer under any criminal statute or the liability of a Director or Officer for the payment of taxes pursuant to local, state, or federal law.

Section 8.02. INDEMNIFICATION.

(a) Indemnification. The Corporation 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, by reason of the fact that such person is or was a Director or Officer or an employee, secondee, contractor, representative or agent of the Corporation, or is or was serving, at the request of the Corporation, as Director or Officer or as an employee, secondee, contractor, representative or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), amounts paid in settlement, judgments, and fines actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided, however that no indemnification shall be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted self-dealing, willful misconduct or recklessness.

(b) Advance of Expenses. Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding, upon receipt of an undertaking by or on behalf of the Director, Officer, employee, secondee, contractor, representative or agent to repay such amount if it shall be ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in Article VIII hereof.

(c) Indemnification Not Exclusive. The indemnification and advancement of expenses provided by Article VIII hereof shall not be deemed exclusive of any other right to which persons seeking indemnification and advancement of expenses may be entitled under any

agreement, vote of the Board of Directors, or otherwise, both as to actions in such persons' official capacity and as to their actions in another capacity while holding office, and shall continue as to a person who has ceased to be a Director, Officer, employee, secondee, contractor, representative or agent and shall inure to the benefit of the heirs, executors, and administrators of any such person.

(d) Insurance, Contracts, Security. The Corporation may purchase and maintain insurance on behalf of any person, may enter into contracts of indemnification with any person, and may create a fund of any nature which may, but need not be, under the control of a trustee for the benefit of any person, and may otherwise secure, in any manner, its obligations with respect to indemnification and advancement of expenses, whether arising under Article VIII hereof or otherwise, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of Article VIII hereof.

Section 8.03. EFFECT OF AMENDMENT. Any amendment, repeal or modification of Article VIII hereof shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director or Officer or any right of any person to indemnification from the Corporation with respect to any action or failure to take any action occurring prior to the time of such amendment, repeal or modification.

ARTICLE IX.

MISCELLANEOUS

Section 9.01. SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal, Pennsylvania." Except as otherwise required by the NCL, the affixation of the corporate seal shall not be necessary to the valid execution, assignment, or endorsement by the Corporation of any instrument in writing.

Section 9.02. INTERESTED DIRECTORS OR OFFICERS; QUORUM; SPECIAL RULE.

(a) General Rule. A contract or transaction between the Corporation and one or more of its Directors or Officers or between the Corporation and another corporation, partnership, association, or other organization in which one or more of its Directors or Officers are trustees, directors, or officers, or have a financial interest, shall not be void or voidable solely for that reason, or solely because the Director or Officer is present at or participates in the meeting of the Board of Directors which authorizes the contract or transaction, if:

(1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors, and the disinterested members of the Board of Directors in good faith authorize the contract or transaction (in accordance with Section 5.10(a) or (b), as applicable), even though the disinterested Directors are less than a quorum; or

(2) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Member, and the contract or transaction is specifically approved in good faith upon the affirmative vote of the Member; or

(3) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved, or ratified by the Board of Directors.

(b) Quorum. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes a contract or transaction specified in Section 9.02(a) hereof.

(c) Special Rule. If the Corporation wishes to establish the “Presumption of Reasonableness” in connection with Code Section 4958 and the regulations thereunder, a contract, transaction or arrangement between the Corporation and one or more disqualified persons (as defined in Code Section 4958) shall be: (i) approved by a vote of only those Directors (or the Member, as applicable) unrelated to and not subject to the control of the disqualified person(s) involved in the contract, transaction or arrangement (provided that such disqualified person(s) may respond to questions from such Directors (or the Member, as applicable) but otherwise must recuse himself or herself from such vote and any portion of the meetings or discussions of such Directors regarding such contract, transaction or arrangement); (ii) based on appropriate data as to the comparability of such contract, transaction or arrangement with similar contracts, transactions or arrangements; and (iii) documented in the Corporation’s minutes as to the basis the disinterested Board of Directors (or the Member, as applicable) relied upon to make its determination regarding such contract, transaction or arrangement.

Section 9.03. DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Treasurer or the Board of Directors may approve or designate.

Section 9.04. SIGNATORY AND DISBURSEMENT AUTHORITY. Unless otherwise set forth in the Signatory and Disbursement Policy, a Director, an Officer and/or an employee or representative of the Corporation shall have no authority, on behalf of and/or in the name of the Corporation, to: (a) sign, execute, acknowledge, modify and terminate tax documents, deeds, mortgages, contracts, employment agreements, grant agreements, lease agreements, license agreements, plans of merger, agreements of sale, letters of intent and other agreements and instruments; (b) incur debts, obligations, guaranties or liens; and/or (c) sign, execute and approve any check, transfer, withdrawal, disbursement, note, bill of exchange, purchase, gift or other order in writing.

Section 9.05. CORPORATE RECORDS. The Corporation shall keep appropriate, complete and accurate books or records of account in accordance with generally accepted accounting principles consistently applied (except that the financial records of the Corporation may be kept on the cash receipts and disbursements method if permitted by law and deemed appropriate by the Board of Directors), minutes of the proceedings of the Directors, and a copy of these Bylaws, including all amendments thereto to date, certified by the Secretary. All such records shall be kept at the registered office of the Corporation in Pennsylvania or at its principal place of business (if different). Any books, minutes or other records may be in written form or

any other form capable of being converted into written form within a reasonable time. The books, accounts, and records of the Corporation shall be open to inspection by the Member and any Director at all times.

Section 9.06. ANNUAL REPORT.

(a) Contents. The President and Treasurer shall present a written report at the annual meeting of the Board of Directors and the Board of Directors shall present a written report at the annual meeting of the Member, showing in appropriate detail the following:

(1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year immediately preceding the date of the report.

(2) The principal changes in assets and liabilities, including trust funds, during the year immediately preceding the date of the report.

(3) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

(4) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the Corporation.

(b) Place of Filing. The annual report of the President and Treasurer shall be filed with the minutes of the meetings of the Board of Directors. The annual report of the Board of Directors shall be filed with the minutes of the meetings of the Member.

Section 9.07. AMENDMENT OF BYLAWS. These Bylaws may be amended or repealed in accordance with Section 5.10(b) hereof. Any change in these Bylaws shall take effect when adopted, unless otherwise provided in the resolution effecting the change.

ARTICLE X.

CODE SECTION 501(c)(3) PROVISIONS

Section 10.01. LIMITATION ON ACTIVITIES. Except as otherwise provided herein, no substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation. The Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office. Further, notwithstanding any other provision herein to the contrary, the Corporation shall not carry on any activities not permitted to be carried on (i) by an organization exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3); or (ii) by an organization contributions to which are deductible under Code Section 170(c)(2).

Section 10.02. PROHIBITION AGAINST PRIVATE INUREMENT. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its Directors, Officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, and goods received, and to make payments and distributions in furtherance of the purposes of the Corporation.

Section 10.03. PRIVATE FOUNDATION REQUIREMENTS AND RESTRICTIONS. Notwithstanding any other provision herein to the contrary, if the Corporation is subject, or ever becomes subject, to the private foundation rules of the Code, then the Corporation shall: (i) distribute its income for said period at such time and manner as not to subject it to tax under Code Section 4942; (ii) not engage in any act of self-dealing as defined in Code Section 4941(d); (iii) not retain any excess business holdings as defined in Code Section 4943(c); (iv) not make any investments in such manner as to subject the organization to tax under Code Section 4944; and (v) not make any taxable expenditure as defined in Code Section 4945(d).

ARTICLE XI.

DISSOLUTION AND LIQUIDATION

Section 11.01. DISSOLUTION AND LIQUIDATION. Upon the dissolution of the Corporation, the Board of Directors, after paying or making provisions for the payment of all of the liabilities and obligations of the Corporation, shall distribute all of the assets of the Corporation to the Member, provided that at the time of distribution the Member is an organization exempt from federal income tax under Code Section 501(a) and described in Code Section 501(c)(3) (a "Qualified Organization"), or in the event the Member does not exist or is not a Qualified Organization at such time, then to one or more Qualified Organizations, as the Board of Directors shall determine, or to the federal government or a state or local government for a public purpose. No portion of the assets shall inure to the benefit of any Director, any Officer, any other private person, or any enterprise organized for profit.