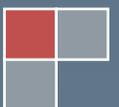


2010

Bylaws of the Franklin Foundation for Innovation

As Adopted, March 1, 2010

The Franklin Foundation for Innovation, a not-for-profit public organization, provides programs and services aimed at improving America's innovation base through the advancement of the sciences, mathematics, and technology both in our communities and our classrooms. The Foundation's Board of Directors has adopted these corporate bylaws for the management and governance of the corporation.



Article I. THE ORGANIZATION

Section 1.01 Name

- (a) The name of this organization is The Franklin Foundation for Innovation Corporation (“the Foundation”).

Section 1.02 Organization and Operation

- (a) The Foundation is a Pennsylvania nonprofit corporation, organized and operated in compliance with Section 501(c) (3) of the Internal Revenue Code of 1986 and any successor provision. The Foundation shall engage only in charitable and educational activities which are consistent with the mission of The Franklin Foundation and its founding directors.
- (b) The Foundation may elect to operate a separate political action committee (PAC) used for the support of legislative officials at municipal, state, and federal levels who support the mission and objectives of The Foundation. This is a secondary operation to the Foundation’s primary mission and philanthropic objective.
 - (i) *The Foundation’s PAC, if initiated by a two-thirds (2/3rd) majority of the board, shall be named FranklinFuture PAC.*
 - (ii) *The PAC may only be funded at a maximum of five percent (5%) of the foundation’s general operating fund by rule. Additional funding requires one-hundred percent (100%) board approval.*
- (c) The Foundation will operate solely within the continental United States, as a national public grant-making foundation.

Section 1.03 Purpose

- (a) Provide direct scholarships to qualified undergraduate and graduate students receiving an education concentrated in the areas of the sciences, advanced mathematics, or technology.
- (b) Provide direct scholarships to qualified educators expanding their education to provide a more quality educational experience in the areas of science, advanced mathematics, or technology.
- (c) Provide grants to underserved schools requiring support for programs that improve the efficacy or quality of educational experiences in science, math, or technology areas.
- (d) Provide grants underwriting advanced research projects, special projects, and other projects as deemed qualified and necessary by the board of directors (“the board”).
- (e) Create programs aimed at improving access to opportunities in the sciences, technology, and mathematical fields for America’s children.

Section 1.04 Principal Office

- (a) The principal office of the Foundation will be determined by the full board.
- (b) Additional Offices may be established as the foundation grows at the direction of the board of directors. These regional offices may be strategically located in key areas of the country as the capabilities of the organization increase/expand.

Section 1.05 Memberships and/or Chapters

- (a) The Foundation will have no members or chapters.

Section 1.06 Executive Officers of the Organization

- (a) Chief Executive Officer

(i) The Foundation shall have a chief executive officer (CEO) responsible for the general and active management of the overall business and operations of the Foundation and shall see that all decisions and resolutions of the Board are carried into effect. The Chief Executive Officer shall not serve as a member of the Audit or Finance committees, but shall be a non-voting (ex-officio) of all other committees of the Board. In addition, the CEO shall possess, and may exercise, such power and authority, and shall perform such other duties, as designated by the standing board of directors, or as are incident to the offices of the CEO of a corporation.

- (b) Chief Operations Officer

(i) The Foundation shall have a chief operations officer (COO) responsible for the management of internal operations including donor acquisition, donor relations, and basal operations. Reporting to the CEO, the COO shall not serve as a member of any committee or the board of directors in general. The COO shall also report to the governance committee of the organization, and provided the authority to act on behalf of the organization in all matters related to the operation of the organization, delivery of programs, and acquisition of donations and monies in service to the community.

- (c) Chief Financial Officer

(i) The Foundation shall have a chief financial officer (CFO) responsible for the management of all monies receivable and payable to and from the organization, as well as all reporting and compliance as required both by Pennsylvania and U.S. Federal law. The CFO shall report to both the CEO and Audit and Finance Committees of the Board of Directors and shall be provided the authority to act on behalf of the organization in all matters financial with the exception of financial disbursements. Financial disbursements, with the exception of payroll and general discretionary expense, shall require the authorization of the audit and finance committee of the foundation.

- (d) General Counsel/Chief Administrative Officer

(i) The Foundation shall have General Counsel who additionally serves as the organization's Chief Administrative Officer (CAO) responsible for the management of the foundation's legal and compliance affairs in accordance with state and federal regulations.

(e) Chief Marketing & Development Officer

(i) The Foundation shall have a chief marketing & development officer (CMO) responsible for the development of the organization through branding, marketing, and corporate positioning in an effort to improve national recognition and acceptance of the foundation's mission, purpose, programs, initiatives, and community outreach services. The CMO will report to the organization's CEO as well as the Fundraising Committee.

Section 1.07 Appointment of Executive Officers

(a) Selection and Criteria

(i) Executive Officers of the Foundation shall be selected by the CEO or CAO of the organization or by individual board members when said officers meet the qualifying criteria set forth by the governance committee.

(ii) The governance committee shall develop job descriptions for all executive officer positions. Appointed/hired executive officers of the foundation shall be required to create criteria for individual job posts subordinate to their role or department within the organization.

(iii) A standing majority vote is required to appoint or hire any executive officer to the Foundation. Likewise a standing majority vote is required to separate any executive officer of the foundation from the organization.

Section 1.08 Compensation of Executive Officers

(a) Executive officers of the Foundation shall receive compensation commensurate with their experience in median contrast to similarly staffed positions in the Greater Philadelphia Metropolitan region in accordance with Federal and state laws governing the compensation of executive employees in public non-profit organizations.

(b) No executive officer of the foundation shall be authorized to receive compensation or gifts of any kind from members of the board. The converse is true of board members, who are barred from receiving gifts of any kind directly from employees of the foundation including executive officers.

Article II. BOARD OF DIRECTORS

Section 2.01 Governance

- (a) The Foundation shall be governed by a Board of Directors. Each Director is required to discharge these duties in accordance with the fiduciary obligations established by Pennsylvania and Federal law.
- (b) The board of directors shall have the control and management of the affairs and business of the Foundation.
- (c) Any director will have the power to request formal review of any business process, financial issue, role change, hire, etc. by issuing a formal request to the chairman and 1st vice chair; at any time said director deems appropriate within reason. Upon receipt, a special meeting to discuss any issues will be called within fourteen (14) days.

Section 2.02 Selection and Criteria

- (a) The initial 15 members of the board, serving their first full term, are recognized as the founding board of the organization.
- (b) Additional directors or replacement directors (following resignations) of the Foundation shall be selected by the Governance Committee for consideration of the standing board of directors.
- (c) Selectees must meet minimum basic requirements for consideration:
 - (i) *Directors must be citizens of the United States of America possessing valid passport, state-issued driver's license, or other state or federal issued I.D.*
 - (ii) *Directors must be 24 years of age or older.*
 - (iii) *Because of the nature of the foundation's business, no individuals with a prior felony conviction are eligible to serve the foundation as a director. Crimes against children of any magnitude are also grounds for exclusion from consideration as allowable by Pennsylvania law.*
 - (iv) *Prior to vote by standing board members, selectees must have completed the application materials approved by the governance committee.*

Section 2.03 Election of Directors

- (a) Directors are elected by the standing board of directors.
- (b) Upon the submittal of application materials, the Chairman must call a general meeting of the board, where selectees are given the opportunity to interact with current directors and discuss their interest in serving the Foundation.

- (c) Directors are elected to individual seats, totaling no fewer than seven (7) and no more than seventeen (17); including the chairman.

Section 2.04 Compensation

- (a) Directors will not receive compensation for serving in that capacity, but they may be reimbursed for their reasonable travel and any material expenses in accordance with the reimbursement policy to be established and governed by the governance committee.

Section 2.05 Term of Office; Term Limits

- (a) All Directors shall hold office for 4 years per session and may hold consecutive terms in office but must be elected to do so.
- (b) Elected directors may choose to resign their positions at any time. Likewise, directors may be dismissed for non-performance under section 2.07.
- (c) The founding chairman shall serve a term of six (6) years, equivalent to two sessions of the board of directors. A successor, to be named Chairman-Elect, may be chosen by the board of directors following the founding chairman's term. The founding chairman may serve the foundation as chairman concurrently only if elected to do so by the board of directors.

Section 2.06 Officers of the Board

- (a) The Foundation shall have as Officers of the Board a Chair, two (2) Vice Chairs, a Secretary, and a Treasurer.
 - (i) *Chair - The chair shall serve as the chief elected officer and is required to preside over all regular and special meetings of the full board. The Chair shall have the right to call special meetings of the board with at least fourteen (14) days written notice to each director. The chair will serve as an ex-officio¹ member of the governance committee, and must serve on the selection and grant committees; however may not chair either committee. The chair may defer duties to a vice chair in the event of a personal emergency.*
 - (ii) *1st Vice Chair - The 1st Vice Chair shall be responsible for maintaining communications with each of the committee chairs and reporting the progress of each committee to the governance committee. The Vice Chair will also determine the need for the commissioning of ad-hoc committees. Should the need for an ad-hoc committee arise, the 1st vice chair will advise on the commissioning of a new ad-hoc committee to the governance board. The 1st vice chair may chair any committee on which he or she serves if elected to do so by that committee.*
 - (iii) *2nd Vice Chair - The 2nd Vice Chair performs the duties of the 1st Vice Chair in his/her absence.*

¹ The chairman will serve as a non-voting member of the governance committee. The chairman will receive a single vote in the event of a tied vote by standing committee members on a per-issue or per-resolution basis.

(iv) Treasurer -The treasurer shall be the custodian of the organization's funds; shall supervise all receipts and expenditures; shall render quarterly statements to the board on the financial condition of the organization; shall authorize the preparation and transmittal of any reports required by law – working to ensure accurate and transparent reporting, budgeting, and spending. The treasurer of the organization is the dotted-line direct manager of the Chief Financial Officer.

(v) Secretary - The secretary shall record and maintain minutes of all full board meetings as well as special meetings of the complete board. Every committee shall have a secretary who records meeting minutes for that particular committee's activities. The secretary shall have charge of all papers, archives, records, and property; shall issue all notices of meetings; maintain an up-to-date director roster; and shall provide periodic reports on the activities of the organization to the Foundation's Donor Relations Group.

Section 2.07 Non-Performance

- (a) The governance committee shall be charged with the determination of non-performance for standing board members.
- (b) A quorum vote is necessary to dismiss a standing board member for non-performance.
- (c) A director shall be deemed as non-performing if he or she fails to attend more than fifty-percent (50%) of the Foundation's business including votes, formal meetings of the board, conference calls, or formal functions.

Section 2.08 General Powers

- (a) The business, property, and affairs of the Foundation shall be managed by or under the direction of the Board of Directors. In the management and control of the business, property and affairs of the Foundation, the Board of Directors is herein vested with all powers possessed by the Foundation itself insofar as this designation of authority is not inconsistent with or contrary to the laws of the state of Pennsylvania, the Foundation's Certificate of Incorporation or these bylaws.

Section 2.09 Specific Powers

- (a) The Board of Directors may enact specific powers through a two-thirds ($2/3^{\text{rds}}$) majority vote.
- (b) Power to elect officers – The Board of Directors shall elect all officers of the Foundation as described in section 2.0.6.
- (c) Appointment of Committees – The Board of Directors may appoint the chairman and members of one or more committees, each committee to have such name or names and to have such powers and duties as may be determined from time to time by the board. The board may also appoint persons who are not Directors of the organization to regularly attend and participate in meetings of any committee of the Board of Directors with the exception of the selection committee. The Board of Directors shall have the power to fill vacancies in, change the membership of, or dissolve any ad-hoc committee of the organization with the exception of standing committees and councils.
- (d) Vacancies – Individuals may be elected to serve as Directors to fill vacancies, however caused, or to fill newly created Directorships resulting from an increase in the authorized number of Directors, by the affirmative vote of two-thirds ($2/3^{\text{rds}}$) of the standing Directors. A Director (other than the chairman) so elected shall hold office until the next succeeding annual meeting of the Board of Directors and, unless the remaining Directors shall have determined not to name a successor, until the election and qualification of his or her successor. A term of less than one full year held by a Directors elected to serve out the unexpired term of a vacating Director shall be disregarded in calculating the term limits set forth in section 2.05.

Article III. MEETINGS OF THE BOARD OF DIRECTORS

Section 3.01 Annual Meetings

- (a) The full Board of Directors with all committees will meet annually with full attendance by all directors required. The annual meeting of the Board of Directors shall be held on the last Friday in April of every year, or such other date as the Directors may designate through majority standing vote. Annual meetings shall be used for the purpose of electing new directors and officers, and transacting all other business properly brought before it. Such meeting dual convened may be adjourned from time to time without notice.
- (b) Regular meetings of the board of directors may be held virtually and called by the chair or vice chair(s) for standard business excluding rule changes or non-emergency business. Regular meetings require the drafting of a resolution and agenda to cover said business, and proper notification must be given to Directors prior to the meeting date to ensure proper attendance. Regular meetings of the board may be held via multi-line recorded conference or video conference. Minutes of regular meetings shall be scribed by the secretary of the organization with meeting minutes delivered to all directors (regardless of attendance) within 10 days of the meeting.

Section 3.02 Special Meetings

- (a) Special meetings of the Board may be called at any time by the Chair, or shall be called by the Chair or vice chair(s) promptly upon written request of a committee officer or director. No business will be transacted at any special meeting unless specified in the notice of the meeting. Notifications for such meetings are specified in Section 3.05. (a)(i).

Section 3.03 Quorum & Standing Majority

- (a) At any meeting of the Board of Directors five (5) voting directors, not including the chair shall constitute a voting quorum for all purposes. A majority of the vote of the Directors present at a meeting at which a quorum is present shall be sufficient to pass any measure in such meeting, except as otherwise provided in these Bylaws or require by the laws of the State of Pennsylvania or the Foundation's Certificate of Incorporation.
- (b) A majority of directors at a committee meeting shall constitute a quorum for all purposes, and a majority vote of the Directors present at a committee meeting at which a quorum is present shall be sufficient to pass any measure in such meeting, except as otherwise provided in these Bylaws or require by the laws of the State of Pennsylvania or the Foundation's Certificate of Incorporation.
- (c) Where a standing majority is required for a vote, a minimum two-thirds (2/3rd) of the standing board of directors shall constitute a standing majority.

Section 3.04 Notice of Meetings

- (a) Notice of any annual or regular meeting shall be given to each Director in person, or by telephone, electronic mail, facsimile or mail at least seven (7) business days prior to the meeting.
- (b) Notice of any special meeting of the Board shall be given to each Director either personally, by mail, electronic mail, facsimile or telephone at least five calendar days prior to the meeting.

Section 3.05 Action without Meeting

- (a) Any action which may be taken at a meeting of the Board or any committee of the Board may be taken without a meeting if written consent setting forth the action so taken shall be signed by all directors, as the case may be. The written consent shall be filed with Secretary of the Foundation.

Section 3.06 Recording of Meetings

- (a) All meetings, including committee meetings, shall be recorded by the secretary of the board or committee secretary and distributed to the board of directors or individual committee members regardless of attendance, no later than ten (10) business days following the adjournment of the meeting.
- (b) Committee meetings held shall have the meeting minutes kept on record for twelve (12) concurrent quarters.
- (c) Meetings of the board of directors shall have meeting minutes kept on record for twenty (20) concurrent quarters.

Article IV. BOARD COMMITTEES

Section 4.01 Executive Committee

- (a) There shall be an Executive Committee chaired by the Chairman of the board and composed of the five (5) Officers of the Board of Directors for the Foundation.
- (b) The Executive Committee shall have the power to act on behalf of the Board between meetings of the Board when such action is necessary or appropriate. Such action shall constitute the action of the Board, subject to the Board's power to rescind such action at its next meeting. Under no circumstances may the Executive Committee fill vacancies on the Board or among the Officers, amend the Bylaws or the Articles of Incorporation, amend or repeal any Board resolution, or act on matters not previously approved by the Board which would involve expenditures in excess of \$4,999.
- (c) The Executive Committee shall meet regularly but in any event prior to every regular meeting of the Board, and may hold other meetings as called by its Chair, or other members of the Executive Committee. The Executive Committee may also take action without a meeting as described in Section 3.7.0.
- (d) Notice of Executive Committee meetings shall be as described in Section 3.5.0.
- (e) The Executive Committee shall have no quorum; all members will be required for execution of foundation business.

Section 4.02 Governance Committee

- (a) There shall be a Governance Committee composed of no fewer than five (5) and no more than (7) members of the board of directors. The Chairman of the board shall serve ex-officio as a non-voting member.
- (b) The Governance Committee shall have the power to ensure effective board processes, structures, and roles, as well as evaluate the effectiveness of the board as a whole. The committee will also have the power to nominate members of the board, and develop criteria and selection processes for board members and executive staff.
- (c) The Governance Committee shall meet regularly at times and dates designated by its chair.

Section 4.03 Finance & Audit Committee

- (a) There shall be a Finance & Audit Committee composed of no fewer than five (5) and no more than (7) members of the board of directors.

- (b) The Finance & Audit Committee shall oversee the development of the budget, ensure accurate tracking/monitoring/accountability for funds, and ensure the adequate implementation of controls as required by state and federal laws. The committee shall also manage the organizational audit for 501(c) (3) compliance purposes.
- (c) The Committee shall have the power to obtain 3rd party counsel for the purposes of auditing the organization and providing oversight of the organization's financial statuses.
- (d) The Finance & Audit committee is required to meet at the start of every fiscal quarter and deliver a report to the board of directors annually at the close of the fiscal year. Additional meetings may be held as necessary at the direction of the committee chair.

Section 4.04 Grants Selection Committee

- (a) There shall be a grants selection committee composed of no fewer than five (5) and no more than (7) members of the board of directors.
- (b) The Grants Selection Committee shall have the power to select and award grants, scholarships, and other program funds to qualified individuals, organizations, schools, and groups who meet the criteria established by the committee for funding. The committee is also charged with concurrence for award recipients, ensuring funding is meeting the need and being used within the guidelines of the organization.
- (c) The Grants Selection Committee is charged with quarterly reporting for funding disbursement and qualification of budgets established by the board of directors.
- (d) The Committee shall have the power to obtain 3rd party counsel and/or support for the purposes of managing funding disbursements and/or providing verification for funds offered to individuals, organizations, schools, and groups.
- (e) The Grants Selection Committee is required to meet quarterly at the end of every fiscal quarter to decide funding disbursements for that quarter where necessary. The committee will also be required to meet to decide on scholarship or grant awards. This committee shall have no quorum, and a majority of the membership is required to approve funding disbursements.

Section 4.05 Fundraising and Development Committee

- (a) There shall be a fundraising and development committee composed of no fewer than three (3) and no more than (5) members of the board of directors not including the Chair of the Board who shall serve as an ex-officio member of the committee.
- (b) The Fundraising and Development Committee shall be charged with raising funds for the organization as well as developing new programs, initiatives, and services for the public good. The committee shall work in concert with the COO, CMO, and members of the donor acquisition group to develop donors and improve the funding base of the organization.

- (c) The committee shall have the power to organize events and meet with potential donors.
- (d) The committee shall meet on a monthly basis at the discretion of the committee chair.

Section 4.06 Other Committees

- (a) The Board may create and delegate authority to other standing or ad hoc committees to facilitate the work of the Foundation.
- (b) The development of additional standing committees shall require a majority vote of the standing board of directors, and requires an amendment to these bylaws herein.
- (c) The development of additional ad-hoc committees requires the sponsorship of at least 5 directors of the board.

Article V. The Franklin Councils

Section 5.01 Purpose

- (a) The Board of Directors may commission the development of The Franklin Councils as advisory boards to the organization. These advisory boards shall have no voting rights, and are commissioned at the behest of the Board of Directors for the purpose of providing subject-matter or industry-relevant expertise.
- (b) Specific charters for The Franklin Councils will be developed and managed by the Fundraising & Development committee.
- (c) Council members are charged with the execution of the Foundation's programs by assisting in their delivery and implementation.

Section 5.02 Selection

- (a) Members shall be selected by the board of directors and elected to the council by majority standing vote.
- (b) Members shall meet the same baseline requirements for directorship. (See 2.02.c)

Section 5.03 Term of Service

- (a) Members of The Franklin Councils will serve two (2) or four (4) year terms, depending on the specific council's charter, and may serve for no longer than three (3) terms concurrently.

Section 5.04 Description of Councils

- (a) Council on Education – Shall be composed of specialists in the education field who will be responsible for the development and execution of educational programs. This council will also submit fellowship candidates for the Foundation's Franklin Scholars Program.
- (b) Council for Technologies and Innovation – Shall be composed of specialists in the technologies and sciences fields who will be responsible for developing special programs aimed at fostering innovation and creativity in America's schools.
- (c) Council for the Advancement of the Sciences & Mathematics – Shall be composed of specialists in higher math and advanced sciences that will be responsible for the development of programs that will promote the national advancement of the sciences and mathematics in our schools from kindergarten through high school.
- (d) Council for Legislative Issues – Shall be composed of legal and political experts skilled in working with local, state, and federal entities to influence progress. These individuals will help the foundation identify legislative issues at the state and federal levels that affect standards of education, governmental support of research programs, space exploration, and other areas of sciences, math, and technologies.

- (e) Council for Advanced Research & Development – Shall be composed of technical, scientific, and mathematical minds responsible for the development of advanced research and development programs as well as the national labs network initiative.

Article VI. LIMITATION OF LIABILITY, INDEMNIFICATION AND INSURANCE

Section 6.01 Limitation of Liability

- (a) A Director shall not be personally liable for monetary damages for any action taken, or any failure to take action, unless the Director has breached or failed to perform the duties of his or her office under Section 5713 of the Nonprofit Corporation Law of 1988, as amended, 15 Pa.C.S. §5713 (relating to standard of care and justifiable reliance) or any successor provision, and the breach or failure constitutes self-dealing, willful misconduct or recklessness. This provision shall not apply to the responsibility or liability of a Director pursuant to any criminal statute or the liability of a Director for payment of taxes pursuant to local, state or federal law.

Section 6.02 Indemnification

- (a) The Foundation shall indemnify any Officer or Director (or employee or agent designated by majority vote of the Board of Directors to the extent provided in such vote) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative (including action by or in the right of the Foundation) by reason of the fact that he or she is or was a Director, Officer, employee, or agent of the Foundation, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding.
- (b) Indemnification pursuant to this Section shall not 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.
- (c) Expenses incurred by an Officer, Director, employee, or agent purportedly indemnified by this Section in defending a civil or criminal action, suit or proceeding may be paid by the Foundation.
- (d) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 6.02 shall continue as to a person who has ceased to be a Director, Officer, employee, or agent of the Foundation and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 6.03 Insurance

- (a) The Board of Directors may authorize, by a vote of a majority of the entire Board of Directors, the Foundation to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Foundation, or is or was serving at the request of the Foundation as a Director, Officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Foundation would have the power to indemnify him or her against such liability under the provisions of this Article VI. Furthermore, the Foundation may create a fund of any nature, which may, but need not be, under the control of a Director, or otherwise secure or insure in any manner its indemnification obligations referred to in Section 6.02 of this Article.

Article VII. FINANCE

Section 7.01 Fiscal Year

- (a) The fiscal year of the Foundation shall be from April 1 through March 31, or such other fiscal year as may be determined by the CFO and the Finance & Audit Committee.

Section 7.02 Bank Accounts

- (a) All checks or demands for money and notes of the Foundation in the amount of \$2,500 to \$6,000 shall be signed by two persons, one of whom is an Officer or other person designated by the Board and one of whom is a staff member designated by the CFO. This rule excludes payroll checks.
- (b) All checks or demands for money and notes of the Foundation in the amount of \$6,000 or more shall be signed by both the CEO and CFO of the organization. This rule excludes payroll checks.
- (c) No checks or demands for money and notes of the Foundation greater than \$25,000 shall be made without the signature of chairperson of the Finance & Audit Committee.

Section 7.03 Audit

- (a) The accounts of the Foundation shall be audited at least once a year as part of the audit or other financial review conducted by a Certified Public Accountant and a copy of such audit shall be submitted to the Board of Directors as prepared by the Finance & Audit Committee.
- (b) The Foundation shall comply with IRS regulations for non-profit organizations. An independent audit of the foundation's compliance with section 501(c) (3) and Pennsylvania State regulations governing non-profit corporations shall be maintained by the CFO in accordance with rules and regulations set forth by the Finance & Audit Committee.

Section 7.04 Budget

- (a) The CEO will prepare a budget covering the proposed program expenses for the coming fiscal year, as determined by the Board. That budget will be presented to the Board, which will adopt a budget for the coming fiscal year, subject to such modification during the year as may be necessary or desirable.
- (b) The COO will prepare a budget covering the proposed corporate expenses for the coming fiscal year, as determined by the Board. That budget will be presented to the Board, which will adopt a budget for the coming fiscal year, subject to such modification during the year as may be necessary or desirable.

Article VIII. GENERAL PROVISIONS

Section 8.01 Construction of Powers

- (a) Unless these Bylaws expressly or by clear construction or implication so provide, nothing contained in these Bylaws is intended to or shall limit, qualify, or restrict any powers or authority granted or permitted to nonprofit corporations by the Pennsylvania Nonprofit Corporation Law of 1988, as amended.

Section 8.02 Conflicts of Interest

- (a) It is recognized that occasions may arise when a member of the Board of Directors or an Officer of the Foundation has a financial interest in a contract or transaction upon which action is to be taken or withheld by the board or a committee thereof. It is the policy of the Foundation and of its Board of Directors that:
 - (i) *Any material facts as to such financial interest shall be disclosed by such Directors or Officer to the members of the Board or committee.*
 - (ii) *The Director or Officer having such financial interest in any matter shall not vote or use any personal influence in regard to the matter (except that he or she may state a position on the matter and respond to questions about it); however, such Director or Officer may be counted in determining the quorum for the meeting at which the matter is voted upon. The minutes of the meeting shall reflect that the disclosure was made and that such Director or Officer abstained from voting.*
 - (iii) *No contract or transaction in which a Director or Officer has a financial interest shall be knowingly entered into by the Foundation unless it has been authorized in good faith by the Board of Directors pursuant to Section 5728 of the Pennsylvania Nonprofit Corporation Law of 1988, as amended, 15 Pa.C.S. §5728.*

Section 8.03 Waiver of Notice

- (a) Whenever any notice is required to be given under the provisions of the Pennsylvania Nonprofit Corporation Law of 1988, as amended, or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the nature of the business to be transacted or the purpose of the meeting need be specified in the waiver, except that a waiver for a special meeting shall specify the general nature of the business to be transacted. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting.

Section 8.04 Records

- (a) An original or duplicate record of the proceedings of the Board of Directors and other bodies, the books or records of account, and the Bylaws, shall be kept at the registered office or principal place of business.

Section 8.05 Amendments

- (a) These Bylaws may be amended or repealed by the vote of two thirds (2/3) of the Directors present at any regular or special meeting of the Board if the notice of meeting specified the action to be taken and was given at least thirty calendar days before the meeting.