

**NEW
PROPOSED
BYLAWS**

**BYLAWS OF
THE MOST EXCELLENT ASSEMBLY OF THE
ARTISANS' ORDER OF MUTUAL PROTECTION**

a Pennsylvania non-stock corporation not-for-profit

1. ORGANIZATION.

- 1.1. Name and Location. The name of this corporation is The Most Excellent Assembly of the Artisans' Order of Mutual Protection (herein, the "Order"). The principal office shall be located in Philadelphia, Pennsylvania. The Order's supreme governing body may at any time establish other offices at any place or places where the Order is qualified to do business.
- 1.2. Nature. The Order is a fraternal benefit society organized, incorporated and operating solely for the benefit of its members and their beneficiaries as a not-for-profit organization. The Order operates under a branch system, uses a representative form of government and conducts its activities in accordance with its articles of incorporation, these bylaws, the laws of Pennsylvania and the United States of America pertaining to fraternal benefit societies, and the laws of the states in which it is licensed to do business.
- 1.3. Purpose. The purposes of the Order are as follows (1) to unite into a fraternal benefit society all persons who are eligible for membership, (2) to promote the general welfare of its members, their families and their community; (3) to provide for the payment of insurance and other benefits permissible under laws governing fraternal benefit societies to its members and their beneficiaries; and (4) The enjoyment of any other rights and privileges appertaining to a fraternal benefit society.

2. MEMBERSHIP.

- 2.1. Qualifications of Membership. All natural persons who believe in the Supreme Being shall be eligible for membership in the Order.
- 2.2. Classes of Membership.
 - 2.2.1. Benefit Members.
 - 2.2.1.1. Adult Benefit Members – All individuals aged eighteen or older who are eligible for membership in the Order and who are covered under a benefit certificate of the Order are adult benefit members of the Order.
 - 2.2.1.2. Annuitant Members – all individuals aged eighteen or older who are eligible for membership in the Order and who own an annuity contract issued by the Order are annuitant members of the Order.

- 2.2.1.3. Junior Benefit Members - All individuals who have not yet attained age eighteen who are eligible for membership in the Order and who are covered under a benefit certificate of the Order are juvenile benefit members of the Order. Junior benefit members automatically become adult benefit members upon attaining age eighteen.
- 2.2.2. Social Members. All individuals who are eligible for membership and have either paid their individual membership dues or belong to a subordinate assembly which has paid its annual fees but are not covered under either a benefit certificate of the Order or an annuity contract issued by the Order are Social members.
- 2.2.3. Subordinate Assembly Membership. All members in good standing may petition to join a branch of the Order (a “subordinate assembly”). Members who join a subordinate assembly may be assessed a membership fee by that assembly. All members who do not wish to join a subordinate assembly will be classified as a member at large and assigned #98 status. Members with #98 status do not pay a membership fee to have #98 status.
- 2.3. Membership and Voting Rights. Only adult benefit members and annuitant members in good standing are eligible to vote in the affairs and business of the Order. Membership is personal to the member and cannot be assigned or transferred. Any member under suspension is disqualified from holding office, and from voting for or nominating a candidate for office.
- 2.4. Dues - The Order may assess dues and fees on adult benefit members, annuitant members and social members. The amount of the dues and fees will be determined by the board of directors. The board will determine the amount each assembly will receive from the Order based on the number of members a subordinate assembly has on its official membership roll at the end of the fiscal year. The board may suspend a member for non-payment of dues and while suspended the member shall not be in good standing.
- 2.5. Meetings of the Membership. The Membership shall meet biannually, which meeting shall be called the Most Excellent Session.

3. BOARD OF DIRECTORS

- 3.1. Power and Duties. The board of directors (the “board”) shall be the supreme governing body of the Order. Except as otherwise provided by law, the articles of incorporation, or these bylaws, the board of directors shall set the principal policies and strategies of the Order, provide oversight of the management and affairs of the Order and perform such other duties entrusted to it by the laws of the Commonwealth of Pennsylvania or these bylaws.
- 3.2. Number and Composition. The board shall consist of no fewer than seven but no more than ten elected directors, and no fewer than one but no more than three Most Excellent Chair officers. The board shall designate from time to time the total number of directors taking into consideration both the Order’s and the board’s current and future needs. The president/chief executive officer shall be an elected voting member of the board. Every other year, at the conclusion of the Most Excellent Session, the board shall elect one of its members to be the president/chief executive officer for a two-year term. The president/chief executive officer will serve as chairperson of the board shall preside at all meetings of the board and perform such

other duties as may be designated by the board. The president/chief executive officer will appoint the members of the committees at the board meeting immediately after the conclusion of the Most Excellent Session.

3.3. Qualifications. In order to be eligible for election or appointment as a director, a nominee must be an adult benefit member or an annuitant member in good standing with the Order. The board will establish qualifications for prospective directors from time to time. These qualifications shall reflect the complexity and magnitude of the business and affairs of the Order. Qualifications established by the board will be published in the official publication with any request for recommendations of candidates to be nominated for director.

3.4. Nomination of Directors and Most Excellent Chair Officers.

3.4.1. Recommendations by Membership. Any adult benefit member in good standing may recommend a candidate for director or Most Excellent Chair Officer (including him/herself) by sending the candidate's resume of qualifications and two (2) letters of recommendation to the secretary of the Order. The person recommended must be willing to serve. Resumes and letters of recommendation must be received by the secretary of the Order at its home office during the time period established by the board in order to be valid. The board will establish and publish the time period for accepting recommendations. The secretary will report the recommendations to the nominating committee.

3.4.2. Nominations by Board or a Committee. If a seated director wishes to be placed on the ballot for re-election, he/she needs only to declare his/her intention, in writing, to the secretary of the Order prior to the close of the time period for accepting recommendations. Other candidates recommended to the nominating committee pursuant to section 3.4.1. shall also be considered for nomination. The nominating committee will review all submitted materials. Candidates meeting the minimum requirement to serve on the board at that time will be eligible to be nominated. To be placed on the ballot the nominee must be an adult benefit member or adult annuitant member in good standing. If there are more than twice the number of candidates to be nominated for the number of seats open for election, the nominating committee will select the nominees who will be on the ballot based on qualifications and needs of the board at that time. The ballot will be limited to twice the number of nominees for the number of open seats and will in any event will include at least one and not more than three Most Excellent chair officers. The board or a committee of the board will oversee the ballot assembly and the related election duties as prescribed by these bylaws and the procedures set forth by the board. If a committee, the committee shall submit its report to the full board for review of procedural accuracy. The board shall then publish the slate of nominees. Nominees will be positioned on the ballot alphabetically by last name with a notation on the ballot and in announcements that the nominees are listed in this manner.

3.5. Staggered Terms. Each director will be elected to the board for a term of office up to four years each. The total number serving and the number to be elected shall be determined by resolution of the board, with no less than two directors and no more than half the directors, plus one, being elected in any given election. Terms will be staggered, and the board will determine the election cycle. Most Excellent Chair Officers shall serve a two-year term in each chair (Most Excellent

Master Artisan, Most Excellent Superintendent, and Most Excellent Inspector), but in no event more than a total of six years in the Most Excellent Chairs.

3.6. Election of Directors and Most Excellent Chair Officers.

3.6.1. The verified slate of candidates for directors shall be placed before the M. E. Assembly for a vote. Election will be by written ballot, or such other legal methods or procedures that the board may select. Each benefit member who is eligible to vote at the Most Excellent Session shall have one vote for each board seat and Most Excellent Chair position subject to election that year. Only a Past Most Excellent Master Artisan may serve out an unexpired term or challenge a Most Excellent Master Artisan or Most Excellent Superintendent for election. Election of Most Excellent Inspector shall be by vote of the M. E. Assembly. The Most Excellent Officers other than Most Excellent Inspector shall not be elected but shall advance automatically from Most Excellent Inspector to the next chair every other year until they have served a two-year term in each chair, unless such officer resigns or is successfully challenged by a qualified candidate.

3.6.2. Cumulative voting is not permitted. Voting by proxy is not permitted. The board will select the time and process for the election to be held. An independent organization or a committee comprised of directors, whose term is not expiring, and at least three appointed election judges from the delegates in attendance at the Most Excellent Session will count or validate the votes. The nominating committee will declare the candidates receiving the highest number of valid votes to be duly elected for the following term. All newly elected director(s) and non-returning director(s) terms will begin and end, respectively, on the second regularly scheduled board meeting of the calendar year. Directors shall hold office for the term for which they are elected, unless a director's death, resignation, removal or ineligibility to serve on the board occurs or the term of a successor begins before the end of such term. Directors may be elected for successive terms.

3.7. Regular Meetings. The board shall hold regular meetings at least quarterly throughout the fiscal year. The finance committee will meet at least once a month to examine investments and expenditures.

3.8. Special Meetings. Special meetings of the board shall be held whenever called by the chairperson, the president/chief executive officer or by a written request, submitted to the Most Excellent Recorder, from three board members then in office.

3.9. Place of Meetings. All meetings of the board will be held at the Order's home office unless another place is designated by the chairperson.

3.10. Notice. Notice of any regular or special meeting shall be mailed to each director, addressed to the director at his or her residence or usual place of business or shall be sent to him or her at such place by facsimile or by other electronic means; or be delivered personally or by telephone not later than ten days before the day on which the meeting is to be held. If mailed such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage prepaid. Unless otherwise provided by law, 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 the notice of the meeting.

- 3.11. Waiver of Notice. Except in the case of removal of a director from office for cause, directors may waive their right to receive notice individually, in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, and the board, by unanimous vote of the full board, may suspend the requirement to give such notice.
- 3.12. Quorum. A majority of the directors shall constitute a quorum to transact all business of the Order unless otherwise required by law, in the articles of incorporation or these bylaws.
- 3.13. Voting. An act of a majority of directors present at a meeting at which a quorum is present shall be an act of the board, unless otherwise required by law, in the articles of incorporation, or these bylaws.
- 3.14. Policies and Procedures of the Board. The board may adopt such policies and procedures for the conduct of its meetings and for the management of its affairs as it may deem proper, consistent with applicable law, the articles of incorporation or these bylaws.
- 3.15. Meeting by Electronic Communication. Meetings of the board may be conducted through the use of any means of communications by which all participating directors may simultaneously hear each other during the meeting or by which all communication is immediately transmitted to each participating director and each participating director is able to immediately send messages to all other participating directors. Prior to beginning such meeting, all directors shall be informed that a meeting is being conducted at which official business may be transacted. A director participating in such meeting is deemed to be present in person at the meeting.
- 3.16. Consent Without Meeting. Any action required or permitted to be taken at a board of directors meeting may be taken by written action or electronic action signed by two-thirds of the directors eligible to vote on such action and shall be filed with the secretary of the Order. A consent under this provision has the same force and effect as a vote of the board of directors taken at a meeting.
- 3.17. Resignations, Removals and Vacancies. Any director may resign at any time by giving written notice to the chairperson. A director may be removed from office with or without cause by an affirmative vote of two-thirds of the full board at a meeting of the board called for that purpose. Any vacancy occurring in the board, including a vacancy created by an increase in the number of directors may be filled with an interim director by an affirmative vote of a majority of the directors then in office, even if there is less than a quorum. If the interim director is due to an increase in the number of directors the term of office on the board must be defined at the time of the appointment. Other interim directors will complete the remainder of the term of the director that the interim appointee is replacing. Notwithstanding, a majority of the directors at any time must have been elected by the membership and the number of elected directors may not fall below the number of votes required to amend the Order's bylaws. A vacancy that will occur at a specific later date may be filled before the vacancy occurs as provided above, but the new director may not take office until the vacancy occurs.

3.18. Committees. The board by resolution which has been adopted by a majority of the full board may designate governance, audit and one or more additional committees of directors. Each committee shall consist of three directors who in the opinion of the president/chief executive officer are qualified to serve on that committee and serve by appointment of the president/chief executive officer. Each committee shall elect their own chairperson. Each committee shall have such authority as delegated to it by the board. A majority of the members of each committee of directors shall constitute a quorum for the transaction of all committee business. Vacancies occurring on committees of directors shall be filled by the president/chief executive officer as soon as possible. Most Excellent Chair Officers will serve on all fraternal activity committees along with two directors.

4. MOST EXCELLENT ASSEMBLY.

4.1. Power and Duties; Composition. The Most Excellent Assembly (“M. E. Assembly”) is an intermediate assembly of the Order that is composed of adult benefit and annuitant members who act as representatives of the members of the Order’s several Subordinate Assemblies, and any other persons prescribed in these bylaws. The M. E. Assembly is the biannual business meeting of the Order.

4.1.1. The M. E. Assembly shall vote for candidates for the board of directors nominated in accordance with Section 3.4.; those candidates who are elected directors and officers will be responsible for the coordination and promotion of fraternal, social, cultural, charitable and membership activities of the Order.

4.1.2. The M. E. Assembly shall be composed of Delegates (elected in accordance with section 4.3), the current board of directors, the Chief Executive Officer, Secretary, Treasurer, the Most Excellent Master Artisan, Most Excellent Superintendent, and Most Excellent Inspector, its Past Most Excellent Master Artisans, any member of the Order who has served on the Board of Directors continuously for a period of six years, the Medical Director, the Publicity Director, the Solicitor, a past Most Excellent Recorder provided he has served continuously for a period of six years, the Chaplain, the Solicitor, the Medical Director and not more than ten permanent or honorary members, and representatives from subordinate assemblies to be elected as hereinafter provided.

4.1.3. All members of the Most Excellent Assembly must be adult benefit or annuity members in good standing in their respective subordinate assemblies.

4.2. Meetings. The M. E. Assembly will meet every two years on the first Saturday in February, or on a date selected by the board of directors. The Most Excellent Session meeting will be held in conjunction with a meeting of the board of directors. The meeting will be chaired by the Most Excellent Master Artisan in accordance with the Order’s ritual book and past practices of the Order. The president of the board and most excellent recorder will prepare the agenda and business part of the meeting.

4.2.1. Postponements. The bi-annual Most Excellent Assembly meeting (the Most Excellent Session) may be postponed or cancelled by a two-thirds vote of the then-sitting board due to an emergency situation that precludes the members from meeting or having the necessary

quorum. Such voting will be done by mail or electronic means within 45 days of the date of the previously scheduled meeting. Thereafter, the board shall schedule a business meeting will be scheduled for the earliest time available for all eligible members to attend and participate who would have been able to vote at the Most Excellent Session.

4.2.2. Meetings Other Than in Person. If the board determines it is not practical to hold the Most Excellent Session in person, the board may direct the meeting be held by electronic means or other means the board deems to be practical in the circumstances. Prior to beginning such meeting, all members of the Most Excellent Assembly shall be informed that a meeting is being conducted at which official business may be transacted. A member participating in such meeting is deemed to be present in person at the meeting.

4.2.3. Absentee ballots. A member eligible to vote at the Most Excellent Session or at a special meeting shall be allowed to cast an absentee ballot if for sufficient cause they are unable to attend the meeting. An absentee ballot must be requested no later than fourteen days before the session and must be delivered to the main office of the Order not later than three days before the scheduled meeting. The request must be made in writing to the most excellent recorder. The ballot will be returned to the main office and remain unopened until the votes are officially counted.

4.3. Delegates. Delegates shall be elected by Subordinate Assemblies according to the M. E. Assembly Rules of Procedure adopted by the board of directors.

4.3.1. Any adult benefit member or annuitant member of the Order in good standing may be elected as a Delegate.

4.3.2. All delegates elected by their assembly, current directors and officers, past board members who have served on the board for at least two full terms, and all Past Most Excellent Master Artisans or any person described in section 4.1.2 may vote at the Most Excellent Session and any special meeting or by mail-in ballot.

4.3.3. A permanent member of the Most Excellent Assembly may also have voting privileges. These privileges must be granted to them through a two-thirds vote of the board of directors and a majority vote of the Most Excellent delegates in attendance at the Most Excellent Session.

4.3.4. Criteria and privileges granted to a full member to become a permanent member of the Most Excellent Session voting body must be decided by the board of directors.

4.3.5. No more than ten permanent delegates shall be allowed at any one time.

4.4. Most Excellent Family Positions. The current Most Excellent Master Artisan may appoint four members of his or her immediate family who will assist them during their two years in office and will fill the positions at the Most Excellent Session. These appointed family members shall have full voting rights at the Most Excellent Session, or any special general meeting called by the board, while serving in their position; subject, however, to the requirements of section 4.1.3. Any person holding this position must be an adult benefit member or an annuitant member of the

Order and be in good standing with the Order. The family officers the most excellent master artisan may appoint are the following positions: The Most Excellent Conductor, the Most Excellent Senior Master of Ceremonies, the Junior Master of Ceremonies and the Most Excellent Warder. These officers will serve a term that will be concurrent with the length of the term of the Most Excellent Master Artisan.

- 4.5. The Most Excellent Recorder will serve as secretary of the Most Excellent Assembly. This person will keep minutes at the M. E. Assembly and submit them to the president of the board.
- 4.6. Election of Delegates. Each Subordinate assembly shall elect two delegates for the first fifty (50) of the aggregate of adult benefit members or adult annuitant members in that assembly has as of September 15th. In addition, Each Subordinate assembly shall elect one additional delegate for each additional 50 of the aggregate of adult benefit or adult owning annuitant members chosen in order of seniority of membership tenure the assembly has on its rolls as of September 15th. All adult benefit or annuitant members of the assembly and who are in attendance at their assembly meeting the November before the Most Excellent Session may vote for delegates. Any Subordinate assembly shall have a maximum of ten (10) elected delegates regardless of the number of adult benefit or annuitant members in the Subordinate assembly. All delegates must be in good standing with the Order.
 - 4.6.1. #98 Delegates. The president/chief executive officer of the Order will appoint two adult benefit or annuitant members in good standing to be delegates to represent all the #98 members.
- 4.7. Eligible Voters. All delegates elected by their respective Subordinate Assemblies, the Order's current directors and officers, the Order's past board members who have served on the board for at least two full terms, and all Past Most Excellent Master Artisans may vote at the Most Excellent Session and any special meeting or by mail in ballot. A permanent member of the Most Excellent Assembly may also have voting privileges. These privileges shall be granted to them through a two-thirds vote of the board of directors and a majority vote of the Most Excellent delegates in attendance at the Most Excellent Session. Criteria and privileges granted to a full member to become a permanent member of the Most Excellent Session voting body shall be decided by the board of directors. The maximum number of permanent delegates shall be as set forth in section 4.3.5.

5. OFFICERS OF THE ORDER.

- 5.1. Executive Officers. The executive officers of the Order include the president/chief executive officer, the secretary (known as the Most Excellent Recorder) and the treasurer.
- 5.2. President/Chief Executive Officer. The president/chief executive officer must be an adult benefit member. The president/chief executive officer is appointed by an affirmative vote of not less than half, plus one, of the sitting board members and shall serve at the pleasure of the board. The president/chief executive officer will be the chairman of the board. The president/chief executive officer shall be an elected member of the board. The president / chief executive officer may

appoint a first vice president to serve as chairman of the board on a temporary basis when the president / chief executive officer is unable to attend a meeting.

- 5.3. Most Excellent Recorder. The Most Excellent Recorder shall be elected by a majority vote of the board. The Most Excellent Recorder will keep minutes at the board meeting and submit a report bi-monthly to the president of the board that will be incorporated into his bi-monthly report to the board.
- 5.4. Other Officers. The treasurer, the Most Excellent Chaplain, Most Excellent Solicitor and Most Excellent Medical Director will be chosen by the president/chief executive officer of the board and approved by a majority of the board.
- 5.5. Officer Appointment. All officers must be adult benefit members of the Order. All officers shall be appointed by the president/chief executive officer.
- 5.6. Powers and Duties of Officers. The president/chief executive officer is responsible only to the board and ultimately to the general membership through the elected board members. Subject to the control and direction of the board, all activities and operations of the Order shall be under the president/chief executive officer's supervision and control. All other officers and employees of the Order shall be under the supervision and direction of the president/chief executive officer.
- 5.7. Compensation. A committee shall present a schedule of reasonable compensation and/or expense reimbursement for the directors, most excellent chair officers, president/chief executive officer and executive officers to the board of directors for approval. The president/chief executive officer shall establish reasonable compensation for the officers and employees under his or her supervision and control. Such compensation must be approved by a majority of the board.
- 5.8. Vacancy of President/Chief Executive Officer. A vacancy in the office of the president/chief executive officer by reason of death, resignation, removal, disqualification, or any other cause shall be filled by a majority vote of the board. The president/chief executive officer may be removed from office for cause by an affirmative vote of two-thirds of the full board at a meeting of the board called for that purpose.

6. STAFF.

- 6.1. Executive Director. The executive director is responsible for administering the programs of the Order. The executive director is accountable to the board of directors and shall work closely with the board to fulfill its objectives. The executive director, as authorized by the board's fiscal policy, shall sign or delegate authority to sign checks and enter into agreements with the approval of the board of directors, which are necessary to carry out the objectives of the Order. The executive director shall not be eligible to vote on any matter that is related, directly or indirectly, to his or her wages, benefits, or other employment-related compensation from the Order. The executive director may hire other staff members as the board of directors authorizes. The executive director shall be an *ex officio* member of the board if he or she is not already a member of the board. The executive director shall not be entitled to vote if they are not an elected member of the board but shall be entitled to notice of and attendance at meetings, except those portions of a meeting at which matters directly relating to the director are discussed.

- 6.2. Other Staff. All other staff shall be supervised by and accountable to the director.
- 6.3. Hiring and employment policies. Hiring and employment policies shall be conducted in full compliance with the Order's anti-discrimination policy and the employee handbook.

7. SUBORDINATE ASSEMBLIES.

- 7.1. Volunteer Activities. The Order will carry out its mission as a fraternal benefit society through benefit and non-benefit members organized in subordinate assemblies. Subordinate assemblies shall be created and maintained to foster voluntary activity for aiding such lawful social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic or religious endeavors as the subordinate assembly determines in accord with the policies of the board; and to provide members with the opportunity to take part in benevolent and charitable activities of the Order.
- 7.2. Formation of Subordinate Assemblies. Voting members may present a petition to the board containing not less than seventy-five verified signatures of current adult benefit or adult annuitant owners requesting the board to form a new assembly. The method of signature verification shall be in the board's reasonable discretion. The petition shall be granted upon affirmative vote of two-thirds of the board. The foregoing shall be the only method by which subordinate assemblies shall be created.
- 7.3. Subordinate assembly Supervision. All subordinate assemblies will be under the control and supervision of the board. Whenever any controversy shall arise in any subordinate assembly between its officers and members or on any other matter affecting or touching the administration of the subordinate assembly, if the difficulty cannot be settled by the subordinate assembly or the Order's officers, it shall be referred to the board and the board's decision in the matter shall be final.
- 7.4. Subordinate assembly Merger, Consolidation, and Dissolution. Whenever the board deems it in the best interests of the Order or of the branch members, it may merge or consolidate two or more branches, or it may suspend or dissolve a branch and withdraw its Charter.
- 7.5. Subordinate assembly Functions. Each subordinate assembly shall elect officers, hold meetings and carry on its business in accordance with the Order's subordinate assembly rules and regulations. Social members may hold elective office within their assembly but may not run or vote for delegates, cashier, recorder or serve as a member of the finance committee of such subordinate assembly.
- 7.6. Subordinate Assembly Meetings. Each subordinate assembly will meet at least four times a year or at least as frequently as may otherwise be required by law.
- 7.7. Articles of Incorporation and Bylaws. All subordinate assemblies shall accept the Order's articles of incorporation and bylaws as prepared by the board.

7.8. Authority to Change Certificates. No officer or member of a subordinate assembly shall have any authority or power to waive, add to, or amend any certificate, bylaw or provision in any certificate between the Order and a member or any other person.

8. BENEFIT CERTIFICATES.

8.1. Fraternal Contract.

8.1.1. Contract Form. The application, certificate of insurance, including any attached riders or endorsements, evidence of insurability signed by the applicant (if any) and the amended and restated articles of incorporation and bylaws, shall collectively constitute the agreement or contract between the benefit member, the certificate owner and the Order. All members, certificate owners, and beneficiaries shall be held to consent to and shall be bound by any subsequent changes in the articles of incorporation and bylaws.

8.1.2. Certificate vs. Membership Rights. Privileges of certificate ownership shall not extend to membership rights, which are personal to the member, such as the right to vote, to hold office in the Order, and to exercise all other privileges of membership in the Order, which are not related to the control of the insurance certificate between the Order and the certificate owner.

8.1.3. Benefit Certificate Issuance. Upon being admitted to benefit membership, each benefit member shall be issued either a benefit certificate by the Order or an insurance policy issued by an insurer for whom the Order acts as either agent or agency. The Order may issue benefit certificates on the lives of juveniles.

8.1.4. Missing Member. No length of time or duration of absence or disappearance of a member shall entitle the beneficiaries or heirs to receive the payment of the benefit without actual proof of the death of the member, provided however, that said benefit shall be payable upon receipt by the Order of a formal decree issued by a court of competent jurisdiction declaring the member to be dead.

8.1.5. Deceased Beneficiary. If the beneficiary designated in a certificate dies prior to the member's death, or if the beneficiary designation is void for any reason, the amount payable to such deceased beneficiary shall be payable in equal shares to the surviving beneficiaries designated by name in the certificate. Unless otherwise required by applicable state law, if no designated beneficiary survives the member, the amount payable on account of member's death shall be paid to the persons of one class and in the order mentioned in the following classes:

Member's spouse.

Member's children, natural or by legal adoption.

Member's mother and father, natural or by legal adoption.

Member's grandchildren.

Member's sisters and brothers.

Personal representative or estate of the deceased member.

If the Order receives no claim from a qualified person within one year and eleven months from the date that the Order establishes, from its records, that funds become due and payable or if the proper claimant cannot be located within the one year and eleven-month time period, the funds will be escheated to the proper state authority.

8.1.6. Minor Beneficiary. If the beneficiary is not of legal age, the Order may, at its discretion, pay all or part of the benefit directly to the juvenile, if the Order is supplied with proof that securing of the appointment of a legal guardian for the juvenile would work a financial hardship on the juvenile.

8.1.7. Contingent Owner. If the insured is not the certificate owner and the owner of the certificate dies prior to the insured's death, absent anything to the contrary in the certificate, the insured shall become the owner of the certificate upon the certificate owner's death. If under a certificate's default contingent ownership provisions, the certificate owner's estate is to become owner of the certificate and no probate or small estate proceeding is opened for the certificate owner within nine months of the certificate owner's death, the insured shall become the owner of the certificate.

8.1.8. Missing Claimant. If the Order receives no claim from a qualified person within one year and 11 months from the date that the Order establishes, from its records, that funds become due and payable under the terms of a certificate or if the proper claimant cannot be located within the one year and 11-month time period, the funds will be escheated to the proper state authority.

8.1.9. 96-year-old beneficiaries. An adult benefit or annuitant member will become the beneficiary of their policy upon reaching the age of 96. The full cash value of the policy is paid to the policy owner.

8.2. Retained Insurance Coverage. Notwithstanding any other provisions which may be contained in these bylaws, any benefit member of this Order who is suspended or expelled for any cause except nonpayment of premiums, if applicable, or within the contestability period for material misrepresentations in the application for benefit membership, shall have the privilege of maintaining the benefit certificate in force by continuing the payment of the required premiums.

8.3. Maintenance of Solvency. If the Order's reserves should become impaired; the board may require that there shall be paid by each benefit member to the Order the amount of the member's equitable proportion of such deficiency as determined by the board. If the payment is not made in full, it shall stand as indebtedness against the insurance certificate and draw interest at the rate of five percent per annum, provided, however, that there shall be no personal liability for such extra payment except against the equity or reserve of the certificate.

8.4. Taxation. If any jurisdiction requires the Order to pay a tax, license fee or other charge based on dues or premiums paid by any certificate owner, the board is authorized to add to the dues and premiums otherwise payable under these bylaws or the insurance certificates by such owner such portion of the total tax, license fee or other charge as the Order is required to pay on account of the dues or premiums paid by the owner. All subsequent payments required to be made by such owners are declared to be the regular dues and premiums increased by the additional

amounts. In lieu of increasing the regular payments, the board may direct that the additional amounts shall be charged as liens against the benefit certificates with interest charged at the same rate as charged on premium loans or that the additional amounts shall be deducted from any dividends otherwise due the owners. The board's determination of any amounts under this paragraph shall be final and conclusive.

9. INDEMNIFICATION OF EMPLOYEES, OFFICERS AND DIRECTORS. The Order, to the extent permitted by law, shall indemnify and hold harmless each employee, officer or director serving the Order or any other corporation, partnership, joint venture, trust, task force, committee or other entity that the employee, officer or director serves as an officer, director, employee or agent at the direction of the Order. The Order will maintain insurance on its directors, officers and employees against liability for acts or omissions in the performance of their duties as determined by resolutions of the board.

10. FIDELITY BONDS FOR OFFICERS AND EMPLOYEES. The Order may maintain fidelity bonds on the officers and employees as determined by resolution of the board.

11. OFFICIAL PUBLICATION. The official publication of the Order shall be published at least annually either in print or via electronic communication. Any notice, report or statement required by law, including notice of election, the annual report and amendments to these bylaws or the articles of incorporation, may be published in the official publication. The official publication will be provided to the households of all members of the Order by mail or electronically.

12. DISPUTE RESOLUTION.

12.1. Purpose. The purpose of this article is to prescribe the exclusive means to resolve grievances, complaints or disputes between members, insureds, certificate owners or beneficiaries and the Order or its directors, officers, agents and employees. Procedures set forth in this article are meant to provide prompt, fair and efficient opportunities for dispute resolution, consistent with the fraternal nature of the Order, without the delay and expense of formal legal proceedings.

12.2. Scope. This article applies to all past, current and future benefit certificates, members, insureds, certificate owners, beneficiaries and the Order. It applies to all claims, actions, disputes and grievances of any kind or nature whatsoever. It includes, but is not limited to, claims based on breach of benefit certificate, as well as claims based on fraud, misrepresentation, violation of statute, discrimination, denial of civil rights, conspiracy, defamation and infliction of distress, against the Order or its directors, officers, agents or employees. To the extent permitted by applicable law, this article applies to all claims, actions, disputes and grievances brought by the Order against members, insureds, certificate owners, or beneficiaries. In the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to this article, this article shall remain in full force and effect as to any remaining parties or claims involved in such dispute. The article does not apply to any claims or disputes related to interpleader actions to determine the proper owner, beneficiary or payee.

12.3. Procedures. No lawsuits or any other actions may be brought for any claims or disputes covered by this article. The following are the procedures for presenting and resolving disputes.

- 12.3.1. Appeal. Appeal of the dispute to a designated reviewer within the Order as appropriate to the dispute.
- 12.3.2. Mediation. If the appeal process does not result in a mutually satisfactory resolution, either party has the right to have the matter mediated in accordance with the applicable mediation rules of the American Arbitration Order (or the rules of another neutral organization as agreed upon by the parties). The mediation shall be administered by a neutral organization agreed upon by the parties.
- 12.3.3. Arbitration. If mediation does not result in a mutually satisfactory resolution, the matter will be resolved by binding arbitration in accordance with the applicable arbitration rules as prescribed by the American Arbitration Order (or the rules of another neutral organization mutually agreed upon) as applicable to the type of matter in dispute. The arbitration shall be administered by a neutral organization agreed upon by the parties. The decision of the arbitrator shall be final and binding, subject only to the right to appeal such decision as provided in the arbitration rules and applicable law. The member, insured, certificate owner or beneficiary shall have the right to be represented by legal counsel of his or her choosing at any time at his or her own expense (unless, as provided below, he or she is awarded attorney's fees). If an issue in dispute is subject to law that prohibits parties from agreeing to submit future disputes to binding arbitration, arbitration results shall be non-binding, unless the parties agree to binding arbitration after the claim or dispute has arisen. The Order will take reasonable measures to assure that the dispute resolution process proceeds promptly.
- 12.3.4. Costs. The administrative costs for the mediation and/or arbitration (including fees and expenses of mediators or arbitrators, filing fees, reasonable and necessary court reporting fees) shall be paid by the Order. Provided, however, unless awarded otherwise below, each party shall bear its own attorney's fees, expert fees and discovery costs.
- 12.3.5. Restriction of Joinder of Disputes. The procedures of this article are designed to afford individual members, insureds, certificate owners, beneficiaries and the Order a prompt, fair and efficient means of resolving individual dispute. Accordingly, no dispute may be brought forward in a representative group or on behalf of or against any "class" of persons. The disputes of multiple members, insureds, certificate owners or beneficiaries (other than immediate family) may not be joined together for purposes of these procedures without the express written consent of both (i) all members, insureds, certificate owners and beneficiaries affected, and (ii) the Order. The restriction on joinder of disputes contained in this paragraph is a condition upon which the agreement to arbitrate contained in this article depends. Thus, should a court or arbitrator of competent jurisdiction deem the restriction on joinder of disputes contained in this paragraph unenforceable or otherwise void, there shall be no agreement to arbitrate.
- 12.3.6. Remedies. This paragraph applies to any claim or dispute resolved through binding arbitration as provided above, and it applies to any action in a court of law in the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to binding arbitration. Except as expressly limited in this paragraph, the parties to a

dispute may be awarded any and all damages or other relief allowed for the claim in dispute by applicable federal or state law, including attorney's fees, and expenses if such attorney's fees and expenses are deemed appropriate under applicable law. Exemplary or punitive damages may be awarded for claims arising under applicable federal or state statute(s) to the extent permitted under the applicable statute(s) or, for claims arising under the common law, exemplary or punitive damages may be awarded but may not exceed three times the amount of compensatory damage. In the event that any court or arbitrator of competent jurisdiction deems the foregoing limitation on common law exemplary or punitive damages to be unenforceable or otherwise void under applicable law, the remaining portions of this article shall remain in full force and effect.

13. FISCAL YEAR. The Order's fiscal year shall be the calendar year.

14. AMENDMENT OF BYLAWS & ARTICLES OF INCORPORATION. These bylaws may be repealed or amended in whole or in part at any regular meeting of the M. E. Assembly, a special meeting of the M. E. Assembly, any special meeting called for that purpose or a vote by mail or electronic means after proper notification of the membership through the official website and publication. The number of votes required to repeal or amend these bylaws shall be two-thirds of the full board and two-thirds of the votes of the Delegates and other voting members from the most recent meeting of the M. E. Assembly. The Order's articles of incorporation may be repealed or amended in whole or in part by referendum of a majority vote of the voting membership. The Pennsylvania Insurance Commissioner must approve of the change to the articles of incorporation or to the bylaws before it becomes effective. Within 90 days from the approval thereof by the commissioner, the amendments or a synopsis thereof shall be furnished to all members of the Order either by mail or by publication in full in the official publication of the Order. The affidavit of any officer of the Order or of anyone authorized by it to mail any amendments or synopsis thereof, stating facts which show that same have been duly addressed and mailed, shall be prima facie evidence that the amendments or synopsis thereof have been furnished the addressee.

15. SEVERABILITY. If any provision of these bylaws or the application of such provision to any circumstances is determined to be invalid, the remainder of these bylaws or the application of the provision to other circumstances shall not be affected.

16. EFFECTIVE DATE OF BYLAWS. Amendment of these bylaws will be effective upon approval of the Pennsylvania Insurance Department.