

BYLAWS

Sovereign Military Hospitaller Order of St. John of Jerusalem of Rhodes and of Malta, Federal Association, U.S.A.

ARTICLE I General Provisions

Section 1.1 Purpose and Objectives

The Sovereign Military Hospitaller Order of St. John of Jerusalem of Rhodes and of Malta, Federal Association, U.S.A. (the "Association") is organized pursuant to the District of Columbia Non-profit Corporation Act (the "Act") to promote the spiritual welfare of its Members (collectively, the "Members" and, singularly, a "Member") and their families, and the physical welfare of the sick and disabled, the poor, the homeless and the illiterate; to aid and protect them and contribute to their material and moral support; to establish institutions of Christian charity to attend to their needs; to cooperate with other agencies or institutions which engage in like work; to defend the Roman Catholic faith; and, generally, to do any and all things and engage in any and all activities which, in the judgment of the Board of Directors of the Association (individually, a "Director" and collectively, the "Board"), may be necessary or proper to accomplish the aforesaid purposes and objectives.

The Association is, and shall be, a not-for-profit corporation and no part of its income shall inure to the benefit of, or be distributable to, any Member or Director or any other person.

Section 1.2 Government

The Association is also chartered as a national association of the Sovereign Military Hospitaller Order of St. John of Jerusalem of Rhodes and of Malta (the "Order"); however, in the event of a conflict between any provision of the Constitution or Code of the Order or of Canon Law applicable to the Association or any provision of the Articles of Incorporation or Bylaws of the Association with the Act or any other law of the District of Columbia or the United States applicable to tax-exempt non-profit corporations (the "Law"), the Act or the Law shall control. The Board shall have sole and absolute discretion to determine whether and to what extent the Association shall contribute to other religious or charitable organizations and the conditions upon which such contributions shall be made.

ARTICLE II Board of Directors

Section 2.1 Directors: Terms

The Board shall consist of eighteen (18) Members and any additional Members who serve ex officio pursuant to Article III of these Bylaws. Each Director shall serve for a term of three (3) years, or until his or her successor is elected, except as provided in Section 2 hereof.

The Directors elected pursuant to Article VI of these Bylaws shall begin their terms of office on January 1 of the year following the Election Date, as defined in Article VI, if the confirmation of the election of the Directors by the Sovereign Council has been received by that time. In the event that the confirmation of the election has not been received by that date, the terms shall begin on the first business day following receipt of the confirmation of the election results by the Sovereign Council. Directors may serve for only two (2) consecutive

three (3) year terms, unless they are serving in the office of President or Vice President. After serving two (2) consecutive three (3) year terms, a Director is not eligible for election as a Director for a period of two (2) years.

Section 2.2 Vacancy on the Board of Directors

In the event of the death, resignation, removal, or incapacity of any Director, the Board shall elect a Member to fill such vacancy until the next succeeding election of the Association. At the next succeeding election conducted pursuant to Article VI hereof, a Member shall be elected to fill the remaining portion, if any, of such Director's term. Service as Director pursuant to this Section shall not preclude immediately subsequent election to two (2) consecutive three (3) year terms. Unexcused absence from two (2) consecutive meetings of the Board shall be grounds for removal of a Director, and such action may be taken by a majority of those present at any meeting of the Board held within four months of the last such unexcused absence. The Board will determine whether an absence is unexcused.

Section 2.3 Meetings of the Board

The Board shall hold regular meetings not less than four (4) times per year. The Chancellor shall give notice not less than ten (10) days in advance of such meeting, and shall include with the notice a proposed agenda of matters to be covered at the meeting.

Section 2.4 Special Meeting of the Board

A special meeting of the Board may be called at any time by the President or by any nine (9) Directors, with notice as provided in Section 2.3 above.

Section 2.5 Action by Written Consent of the Directors

Any action required by law to be taken at a meeting of the Directors or any action which may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the Directors entitled to vote with respect to the subject matter.

Section 2.6 Responsibilities

The Board shall have general charge and supervision of the affairs and activities of the Association and shall carry on the religious and philanthropic work of the Association and determine the eligibility of prospective Members, all consistent with the Code and Constitution of the Order.

Section 2.7 Quorum

A minimum of nine (9) Directors shall constitute a quorum of the Board.

ARTICLE III Officers

Section 3.1 Executive Officers; Terms

The Executive Officers of the Association, all of whom shall be Members, shall be the President, the Vice President, the Chancellor, the Treasurer, and the Hospitaller (the "Executive Officers"). With the exception of the President, whose election shall be conducted in accordance with Article VI of these Bylaws, the Executive Officers shall be elected by the Board in the first duly authorized meeting after the Election Date by a majority vote of Directors who are present. The Executive Officers shall serve a term of three (3) years and until the election of

their respective successors. Executive Officers elected to three (3) year terms may succeed themselves for only one additional three (3) year term. The terms of the President and Executive Officers shall be deemed to begin on January 1 of the year following the Election Date, if the confirmation of the election by the Sovereign Council has been received by that time. In the event that the confirmation of the election has not been received by that date, the terms shall begin on the first business day following receipt of the confirmation of the election results by the Sovereign Council.

Section 3.2 President

The President shall be the Chief Executive Officer of the Association and shall preside at meetings of the Board, the Executive Committee and the general membership. He or she shall also perform such other duties as the Board or the Executive Committee shall by vote or resolution direct. If the President is not otherwise a member of the Board, he or she shall be an *ex officio* member of the Board.

Section 3.3 Vice President

The Vice President shall, in the temporary absence or incapacity of the President, exercise all the powers and perform all the duties of the President. If because of the death, resignation or protracted absence or incapacity of the President, the Board, acting pursuant to Section 3.7 of these Bylaws, selects another President, the Vice-President shall no longer exercise the powers and perform the duties of the President. If the Vice-President is not otherwise a member of the Board, he or she shall be an *ex officio* member of the Board.

Section 3.4 Chancellor

The Chancellor of the Association shall attend all meetings of the Board, the Executive Committee, and the general meetings of the Association. The Chancellor shall act as Secretary of the Association, shall record all the proceedings of such previously mentioned meetings in books kept for that purpose at the principal office of the Association and shall, within a reasonable time, distribute minutes of such meetings to the members of the Board. The Chancellor shall give at least ten (10) days notice of all meetings of the Board, and reasonable notice of meetings of the Executive Committee. He or she shall assist the President and the Board in maintaining liaison with the Sovereign Council and the other Associations and Pories of the Order, and shall be responsible to assure that the activities of the Association are carried on consistently with applicable law, these Bylaws, and the provisions of the Constitution and Code of the Order. The Chancellor shall authenticate all documents that require authentication on behalf of the Association and shall perform such other duties as may be assigned to him or her by the Board, Executive Committee, or President. The Board may appoint one or more Assistant Chancellors to assist the Chancellor in his or her duties.

Section 3.5. Treasurer

The Treasurer of the Association shall attend all meetings of the Board, the Executive Committee, and the general meetings of the Association. The Treasurer shall be the custodian of all monies or other property of the Association. The Treasurer shall deposit all monies received by him or her for the Association in the name of the Association in a bank designated and approved by the Board or Executive Committee. The Treasurer shall collect all contributions from each Member of the Association payable in accordance with Article VIII of these Bylaws. The Treasurer, President, Vice President, or Executive Director shall have authority draw and sign checks, in an amount less than five thousand dollars (\$5,000.00), upon funds of the Association. The authority to draw and sign checks in an amount of more than five thousand dollars (\$5,000.00) upon funds of the Association shall require the signatures of two of the Treasurer, President, or Vice President. The Treasurer shall disburse no money other than for the current expenses of the Association without the approval of the Board or the Executive Committee. The Treasurer shall submit to the Members an annual report in writing showing the financial condition of the

Association, and shall submit to the Board financial reports in such form and as frequently as requested to do so by the Board.

Section 3.6 Hospitaller

The Hospitaller of the Association shall attend all meetings of the Board, the Executive Committee, and the general meetings of the Association. The Hospitaller shall oversee the Association's programs of personal service to the poor and the sick, and shall encourage the promotion of such programs and the participation of Members in them. The Hospitaller shall perform such other services relating to the philanthropic and other work of the Association as may be directed by the President or the Board. The Board may appoint one or more Regional Hospitallers to assist in the philanthropic and other work of the Association.

Under the guidance and direction of the Hospitaller, the Regional Hospitallers shall with respect to designated geographic areas: (a) organize activities through which Members in their geographic areas are encouraged to engage in volunteer projects, spiritual activities, and activities in defense of the faith; (b) promote methods of communication for the transmission of information from the Executive Officers, Board, and staff of the Association to the Members, and (c) assist the Admissions Committee and the Formation Committee in fulfilling their responsibilities.

Section 3.7 Vacancies

In the event of the death, resignation or protracted incapacity or absence of any officer of the Association, the resulting vacancy shall be filled for the unexpired term by the Board at its next following meeting unless otherwise provided for in these Bylaws.

Section 3.8 Chaplain

To assist its Members in development of the spiritual welfare of themselves and their families, the Board shall nominate for appointment by the Prelate a Principal Chaplain of the Association. He remains in office for five years and may be reappointed. The Principal Chaplain may attend the meetings of the Board of Directors.

From among the chaplains in the Association, the Board may appoint chaplains to assist the principal Chaplain for specific duties, including a Chaplain to the Board who is expected to attend the Board meetings and a Chaplain for Lourdes. They serve for three years and may be reappointed.

Section 3.9 Historian

The Board may from time to time and for such term as it deems appropriate, elect an Historian to assist in the maintenance of the records of the Association and to help make known to the Members the past history of the Association and the Order.

ARTICLE IV Executive Committee

Section 4.1 Membership

The President, with the advice and deliberative vote of the Board, shall appoint an Executive Committee that shall consist of the President, the Vice-President, and four (4) additional Directors. The members of such Committee shall hold office for the period of one (1) year. The Chaplain to the Board, the Hospitaller, the Chancellor, and the Treasurer shall be expected to attend and participate in all meetings of the Executive Committee. Members of the Executive Committee who otherwise qualify shall be eligible for reappointment to

such Committee in a subsequent year. A quorum of the Executive Committee shall consist of four (4) members thereof. Any action that in the usual course requires the advice and deliberative vote of the Board of Directors can be taken by the Executive Committee only if the majority of the members of the Executive Committee agree that the circumstances require that the action be taken before the next regularly scheduled meeting of the Board. The Executive Committee (a) shall have general charge and supervision and management of the affairs and activities of the Association during the intervals between meetings of the Board, (b) shall meet on the call of the President or any three (3) members of the Executive Committee, and (c) may conduct its business by unanimous written consent without meeting, or by telephone conference, or, where appropriate, by polling individual members by telephone. Minutes of the meetings of the Executive Committee, or reports of actions taken without meeting, shall be furnished to all members of the Board within ten (10) days after any meeting or action by the Executive Committee.

Section 4.2 Absences and Vacancies

Any member of the Executive Committee who is absent for two (2) consecutive committee meetings without giving sufficient reasons therefore to the President may be removed from membership on the Executive Committee by the President. Any vacancy in the Executive Committee caused by death, resignation, incapacity, or removal because of absence shall be filled by the Board.

ARTICLE V Other Committees

Section 5.1 Appointments and Reports

The President, with the advice and the deliberative vote of the Board, may establish such standing or special committees as in its judgment are necessary to carry out the work of the Association. The President shall define the duties of such committees and shall appoint the members thereof. The President, with the advice and the deliberate vote of the Board, may appoint a member of a committee its chair for a term of three (3) years. Committee chairs may serve for only two (2) consecutive three (3) year terms. The terms of committee members may be one (1) to three (3) years and shall be staggered. Committee members may serve for the equivalent of two (2) consecutive three (3) year terms. The appointment of members and chairs of committees shall be accomplished, whenever practicable, at or before the second meeting of the Board following the Annual Meeting of the Members. Each committee shall submit to the Board a written report of the activities of their respective committees at least annually, and more frequently if requested by the Board or President.

Section 5.2 Membership

The President, or in the absence of the President, the Vice President, shall be a member of all committees *ex officio*.

ARTICLE VI Meetings and Elections

Section 6.1 Election of Executive Officers, Directors, Chaplain, and Historian

A majority of Members voting by secret written ballot shall elect the President and Directors. The Vice President, Chancellor, Treasurer, and Hospitaller shall be elected by the Board in accordance with the provisions of Section 3.1 of these Bylaws.

The Chaplain and Historian shall be elected by the Board pursuant to the provisions of Sections 3.8 and 3.9 of these Bylaws.

Section 6.2 Method of Voting

Every Member may vote for the President and the Directors by secret written ballot pursuant to Section 6.4 of these Bylaws. Members must act personally and cannot appoint representatives, delegates, or proxies.

Section 6.3 Annual Meeting of Members

The Members shall hold an Annual Meeting on a date announced at least six (6) months in advance by the President at which annual reports shall be made and Members may make any appropriate inquiry of the Officers and Board of Directors.

Section 6.4 Nomination and Election Process

A. The President, with the advice and deliberative vote of the Board, shall appoint a Nominating Committee comprised of ten (10) members, one of whom shall be the immediate past President, and at least three (3) of whom shall be Directors. The President, with the advice and deliberative vote of the Board, shall appoint a Chair of the Nominating Committee from its members. In addition, the President shall be an *ex officio* member of the Nominating Committee. The terms of the members of the Nominating Committee may be one (1) to three (3) years and shall be staggered at yearly intervals. At the completion of a member's first term on the Nominating Committee, that member shall be eligible for re-appointment to one additional term.

B. The purpose of the Nominating Committee shall be to verify the objective criteria and experience of candidates for the elected offices of the Association, including the President, Director, and, in the case of the other Executive Officers, make nominations to the Board. The Nominating Committee will use its best efforts to ensure a diversity of candidates covering talent, gender, and geographical representation as well as multiple candidates for each position. If feasible, the Nominating Committee shall select at least two (2) but not more than four (4) candidates for President and at least three (3) but not more than six (6) candidates for every two vacancies on the Board of Directors. The Nominating Committee shall prepare the ballot, collect the qualification and position statements, and the signed pledges not to campaign of all candidates. In the case of nominations for the other Executive Offices said nominations should be submitted by the Nominating Committee to the Board no later than ten (10) days prior to the Federal Association's Annual Meeting. The Nominating Committee shall confirm with each candidate his or her willingness to serve if elected.

C. By the First of June of each year, the Nominating Committee shall by letter advise the membership if the terms of any Executive Officers or Directors shall expire at or about the time of the next Annual Meeting, and indicate which incumbents are eligible for reelection.

D. By the First of July of each year, Members may self-nominate to the Nominating Committee his or her Candidacy for the offices of President, Executive Officer, or Director. The Nominating Committee and Members may encourage other Members to self-nominate their Candidacy for the offices of President, Executive Officer, or Director. The Nominating Committee may accept self-nominations for Executive Officer positions, other than President, until fifteen (15) days before the Annual Meeting.

E. Candidates are expected to meet certain criteria as adopted by the Board, from time to time, and published as a Resolution on Qualifications for Holding Office, to be considered as a candidate for the designated position. In addition to the criteria set forth in the Resolution on Qualifications for Holding Office, the following applies to the selection and election of candidates:

1. Candidates for President shall have been a member of the Order for at least seven (7) years at the time of nomination;

2. Candidates for Directors shall have been a member of the Order for at least four (4) years at the time of nomination;

3. The requirements for length of membership in the Order as set forth in Subparts 1 and 2 of this Subsection shall not be waived;

4. An elected candidate's spouse is barred from serving as an Executive Officer or Director of the Association during the newly elected candidate's term. The current office holder must resign after a spouse is elected, failing which, the newly elected Executive Officer or Director may not assume office.

5. The nominating committee, on a majority no confidence vote, may exclude an objectively qualified candidate for a concern about a candidate's ability to hold a leadership position. The excluded candidate may appeal this decision to the Board, which may re-instate the candidacy on a majority vote.

6. Promises made pertaining to the selection or election of Executive Officers, Directors, or Committee positions are prohibited and deemed null and void.

F. There shall be no campaigning for any elected office of this Association.

1. Candidates must pledge in writing that he or she will not campaign or allow others to campaign and will report all campaigning to the Chancellor.

2. All Members are assumed to abide by a pledge not to campaign and report all campaigning to the Chancellor.

3. The candidate's qualification and position statement and signed pledge not to campaign will be provided to all Members along with the ballot, as set forth in Section 6.4 of these Bylaws (the "ballot package"). Candidates for office shall be listed on the ballot in the order of their seniority in the Association. Candidates with the same seniority shall be listed in alphabetical order.

G. By the First of August of each year, the Nominating Committee shall cause to be sent to the Members the ballot package for President and Director. The ballot will indicate the election date (herein the "Election Date"), which shall be twenty-one (21) days after the ballot packages are mailed to the Members. The official ballot to be distributed shall not indicate any preferential support or endorsement by the Nominating Committee. The other offices for which there shall be vacancies shall be elected by the Board at the first meeting of the Board of Directors after the Election Date, as specified in Section 3.1 of these Bylaws.

H. The Association's office shall ensure that the ballot package be sent in a manner that provides for a blank envelope in which the Member of the Association is to insert the ballot (the "Ballot Envelope"), which in turn will be sent in a return envelope to mail the completed ballot to the Federal Association (the "Return Envelope"). The Member of the Association shall place his or her name on the Return Envelope. Ballots that are returned without the name of the Member on the Return Envelope will be set aside by the Election Committee, as hereafter defined. Ballots received by the Association by noon of the Election Date shall be considered as ballots received in a timely manner. The President, with the deliberative vote of the Board, shall appoint a committee consisting of four (4) individuals: the Chancellor of the Association who shall preside over the Election, a member of the Board to serve as Notary of the Election, and two (2) additional members to serve as tellers (hereinafter collectively the "Election Committee"). The Election Committee shall first verify the names of the Members on the Return Envelopes against the list of the Members as of the date of the mailing of the Ballots. After the verification, the valid Return Envelopes shall be opened and the Ballot Envelopes removed and their order mixed. The Election Committee shall then open the Ballot Envelopes and count the votes. At the conclusion of the counting of the Ballots, the Election Committee shall prepare a memorandum verifying compliance with the

provisions of this subsection and the results of the Election, which shall be signed by all the members of the Election Committee. The Chancellor shall transmit the memorandum to the President, who shall publish immediately the election results to the Members of the Association.

I. By the First of September of each year, the Nominating Committee shall cause to be sent to the Members a Run-Off Election ballot package for President and Director, if any candidate failed to receive a majority of the votes cast to be elected to a position. The Run-Off ballot shall list the two candidates receiving the highest number of votes for President. The Run-Off ballot shall list a number the directors, receiving the highest number of votes, equal to the number of open seats plus one. Candidates receiving the same number of votes shall be counted as one candidate for the purpose of inclusion on the Run-Off Ballot. The Run-Off Election and Balloting shall be conducted in the same manner as the Election and Balloting specified in Section 6.4 of these Bylaws. The ballot will indicate the Run-Off Election date, which shall be twenty-one (21) days after the ballot packages are mailed to the Members.

J. At the conclusion of the Elections for President, Directors, and Executive Officers, the Chancellor shall transmit the results of the Elections to the Grand Chancellor for confirmation by the Sovereign Council.

Section 6.5 Special Meeting of Members

The Board, by a majority vote, the Executive Committee, by majority vote, or the President may call a special meeting of all the Members upon notice given by the Chancellor not less than fifteen (15) days in advance of any such meeting, setting forth the agenda of matters to be covered at the meeting.

Section 6.6 Order of Business at the Annual Meeting; Other Meetings

The order of business at the Annual Meeting of Members shall be as prescribed by the President, annual reports shall be made, and Members shall have the opportunity to make any appropriate inquiry of an Officer or Director in attendance. The Board, Executive Committee and any standing or special committee may prescribe the order of business at their respective meetings.

Section 6.7 Feast Day Assemblage

There shall be a reunion or assemblage of all Members held in one or more churches or chapels to be selected by the Board, on or about June 24 of each year, for the Feast Day of St. John the Baptist, the patron saint of the Order. Each Member shall attend such reunion or assemblage unless it would be a hardship for him or her to be present.

ARTICLE VII New Members of the Association

The Board shall, when recommending to the Sovereign Council candidates for membership in any grade of the Order, furnish the Sovereign Council with a description of each candidate, together with all information required by the Code of the Order which justified proposing such candidate for membership. No candidate will be considered a Member until he or she is approved by the Grand Master with the deliberative vote of the Sovereign Council of the Order. Guidelines for admissions shall be approved and promulgated by the Board, from time to time.

With the approval of the Sovereign Council, the Board may appoint one or more chaplains in addition to the person who holds the office of Chaplain pursuant to Section 3.8 of these Bylaws.

ARTICLE VIII **Contributions**

Section 8.1 Member's Initial Contribution

Each Member, prior to receipt of the decree of admission, shall contribute to the Association such sum or sums as shall be fixed by the Board.

Section 8.2 Annual Contributions

In addition to the foregoing contribution, each Member shall contribute to the Association an annual amount as shall be fixed by the Board, which shall be payable on the date fixed by the Board.

Section 8.3 Chaplains

Chaplains shall be exempt from all contribution requirements.

Section 8.4 Assessments

The Board may from time to time levy assessments upon the Members if, in the judgment of the Board, funds in addition to contributions are needed to carry on any activities of the Association.

Section 8.5 Suspension of Contributions

If in the judgment of the Board a Member cannot meet the contribution requirements as provided above, the Board may exempt such Member from the payment thereof for a stated period or indefinitely and allow such Member to contribute in accordance with the Member's ability to do so.

Section 8.6 Other Contributions

The Board may accept other contributions of money and property from Members and nonmembers to be used for the charitable, religious and hospitalier works of the Association.

In addition to the contributions and assessments prescribed in this Article, Members are expected to contribute as much of their time and means as possible to further the purposes and objectives of the Association.

ARTICLE IX **Fiscal Year**

The fiscal year of the Association shall be the calendar year, or as set by the Board, from time to time, in its sole discretion.

ARTICLE X **Amendments**

The Board of Directors may from time to time direct that proposed amendments to these By-laws be considered by mail-in vote, in accordance with the notice, balloting, and voting provisions of Article VI. Additionally, any amendment may be proposed by the Members if any such amendment is proposed by a minimum of fifteen (15%) of the Members and served upon the Chancellor at the Association's Office no less than Forty Five (45) days before a mail-in vote is scheduled. The proposed amendments to the Bylaws shall be published to the Members with the ballot. In accordance with his or her duties as set forth in Section 3.4 of these Bylaws, the

Chancellor may provide comments addressing the proposed amendments in the context of the amendment's consistency with applicable law, these Bylaws, and the provisions of the Constitution and Code of the Order. Every Member may vote upon a proposed amendment of the Bylaws, must act personally, and cannot appoint representatives, delegates, or proxies. Any amendment of these Bylaws shall not become effective until such amendment has been approved by the Grand Master with the deliberative vote of the Sovereign Council of the Order.

ARTICLE XI

Indemnification of Officers and Directors

Each Director, Officer (whether currently in office or no longer in office), or employee or agent of the Association (whether currently employed or no longer employed, as agent or otherwise), shall be indemnified by the Association for any and all liability arising out of any threatened, pending or completed cause of action, suit or proceeding, whether civil or criminal, by reason of his or her actions within the scope of his or her office or employment or by reason of the fact that said individual is or was a Director, Officer, employee or agent of the Association. Any person covered under this Article shall be indemnified against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the defense of such proceeding or lawsuit. Such indemnification shall extend to the full and complete extent permitted by District of Columbia law. Any subsequent modifications in the law or any partial invalidation of this indemnification shall not be deemed to invalidate the indemnification in whole. Any portion of this Article that is held to be illegal shall be deemed severable without destroying the whole of this Article. This indemnification shall inure to the benefit of heirs, executors, and administrators of any person indemnified hereby.

ARTICLE XII

Lourdes Pilgrimage

The Association participates each year in the Order's Pilgrimage to Lourdes, an integral part of life and membership in the Order. Each Member is expected to participate at least once in the Lourdes Pilgrimage during the first three (3) years following admission to membership in the Association or during the period of formation preceding membership in the Association, unless physical or financial condition, or other circumstances, would make such participation a hardship.

ARTICLE XIII

Dissolution Distributions

In the event of the liquidation, dissolution or winding up of the Association for any reason whatsoever, all of the assets of the Association, after the payment of its liabilities, shall be transferred to one or more organizations selected by the Board; provided, however, that any transferee organization must be qualified under Section 5.01(c) (3) of the Internal Revenue Code or any successor provisions of such Section.

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