Preamble

The following Bylaws shall be subject to, and governed by, the Michigan Non-Profit Corporation Act and the Articles of Incorporation of the Extracorporeal Life Support Organization. In the event of a direct conflict between the provisions of these Bylaws and the mandatory provisions of applicable state or federal law, the law shall apply. In the event of a direct conflict between the provisions of these Bylaws and the Articles of Incorporation these Bylaws will control.

ARTICLE 1 – NAME

The legal name of the Non-Profit Corporation is the Extracorporeal Life Support Organization, also known as ELSO and shall be referred to as ELSO.

ARTICLE 2 – PURPOSE

ELSO is established and shall be operated exclusively as a public charity engaged in research and education including support of a consortium of medical centers throughout the world that are active in advanced life support technology, maintains a registry of cases, and provides education in the field of prolonged extracorporeal life support (“Primary Purpose”) within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) or the corresponding section of any future federal tax code.

In addition, ELSO has been formed for the purpose of performing all things incidental to, or appropriate to, its Primary Purpose. ELSO shall not, except to an insubstantial degree, engage in any activity or the exercise of any powers which are not in furtherance of its Primary Purposes.
ELSO shall hold and may exercise all such powers as may be conferred upon any nonprofit organization by the laws of the State of Michigan and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of ELSO. ELSO will not participate in any activities that compromise its non-profit tax-exempt status.

**ARTICLE 3 – OFFICES**

The registered office of ELSO will be recorded in the records of the State of Michigan and may be changed from time to time as authorized by the Board and pursuant to state law.

ELSO may have other such offices, as the Board of Directors approves as necessary and appropriate to the activities of ELSO.

**ARTICLE 4 – DEDICATION OF ASSETS**

The properties and assets of ELSO are irrevocably dedicated to and for non-profit purposes only. No part of the net earnings, properties, or assets of ELSO, on dissolution or otherwise, shall inure to the benefit of any person or any member, director or officer of ELSO. On liquidation or dissolution, all remaining properties and assets of ELSO shall be distributed and paid over to an organization dedicated to non-profit purposes which has established its tax-exempt status pursuant to Section 501(c) of the Internal Revenue Code.

**ARTICLE 5 – BOARD OF DIRECTORS**

**General Powers and Responsibilities**

ELSO will be governed by a Board of Directors (the “Board”), which shall also serve as the Executive Committee of the ELSO Steering Committee and which will have all the rights, powers, privileges and limitations of liability of directors of a non-profit corporation organized under the State of Michigan. The Board will establish policies and directives governing its business and programs of ELSO and may delegate to the officers, members, or staff, authority and responsibility to see that the policies and directives are appropriately followed. Such delegation will be consistent with these Bylaws and applicable federal and state law.

The Board shall prepares the annual budget, approve and monitor all expenses, and conduct an annual audit of ELSO accounting for expense and all income of ELSO including member center dues, sale of publications and courses, external contracts, and other sources. Any profit from operations returns to the operating fund each year.

**Number and Qualifications**

The Board of Directors shall be composed of five members: the Chairperson of the Steering Committee of ELSO who shall also serve as President of ELSO, the immediate past ELSO Steering Committee Chairperson, the ELSO Steering Committee Chairperson-elect, the Treasurer who shall also serve as the Secretary, and an at-large member who shall be from an Affiliate Chapter. The Board will be chaired by the Chairperson of the Steering Committee. The number of Board members may be changed by an affirmative vote of a majority of the then serving Directors. A Board member need not be a resident of the State of Michigan nor of the United States of America provided the majority of Board members are US citizens. The ELSO Executive Director shall serve as an ex-officio Board member without vote.
In addition to the regular membership of the Board, the Board shall appoint a liaison to the University of Michigan, and may appoint other representative of such other organizations or individuals, as the Board may deem advisable. These persons shall be appointed as Ex-Officio Board Members, but shall not have voting power, shall not count as one of the regular Board members, and shall not be eligible for office.

**Board Compensation**
The Board shall receive no compensation other than reasonable expenses. However, provided the compensation structure complies with Sections relating to “Contracts Involving Board Members and/or Officers” as stipulated under these Bylaws, and nothing in these Bylaws shall be construed to preclude any Board Member from serving ELSO in any other capacity and receiving compensation for services rendered.

**Term of Board**
Steering Committee members elected to the Board shall serve for the term of their Steering Committee office. No person shall serve more than two consecutive terms unless a majority of the Board, during the course of a Board meeting at which a quorum is present, votes to appoint a Board member to serve an additional term.

**Vacancies**
A vacancy on the Board of Directors may exist at the occurrence of the following conditions:

a) The death, resignation, or removal of any director;
b) The declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty pursuant to the Corporation Code and/or Act of the law dealing with the standards of conduct for a director, or has missed three (3) consecutive meetings of the Board of Directors, or a total of four (4) meetings of the Board during any one calendar year;
c) An increase in the authorized number of directors; or
d) The failure of the directors, at any annual or other meeting of directors at which director(s) are to be elected, to elect the full authorized number of directors.

The Board of Directors, by an affirmative vote of a majority of the directors then currently in office, may remove any director without cause at any regular or special meeting; provided that the director to be removed has been notified in writing in the manner set for Article 5 – Meetings, that such action would be considered at the meeting.

Except as provided in this paragraph, any director may resign effective upon giving written notice to the Chairperson or the Secretary of the Board unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be designated to take office when the resignation becomes effective. Unless the Attorney General is first notified, no director may resign when ELSO would then be left without a duly elected director in charge of its affairs.

Any vacancy on the Board may be filled by vote of a majority of the directors then in office, whether or not the number of directors then in office is less than a quorum, or by vote of a sole remaining director. No reduction of the authorized number of directors shall have the effect of removing any director before that director’s term of office expires.
A Board member elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor.

**Meetings**
The Board’s regular meetings may be held at least twice annually at such place and time as shall be determined by the Board. The Chairperson or any three voting Board members may call a special meeting of the Board with 2 days’ written notice provided to each member of the Board. The notice shall be served upon each Board member via hand delivery, regular mail, email, or by fax. The person(s) authorized to call such special meetings of the Board may also establish the place the meeting is to be conducted, so long as it is a reasonable place in which to hold any special meeting of the Board.

**Minutes**
The Secretary of the Board shall prepare the minutes of the meetings that are to be placed in the minute books of ELSO and to be delivered to the Board, by hand delivery, email, or fax within seven (7) business days after close of each Board meeting.

**Action by Written Consent**
Any action required by law to be taken at a meeting of the Board, or any action that may be taken at a meeting of the Board, may be taken without a meeting if consent in writing setting for the action so taken shall be signed by all Board members. Such consent shall be placed in the minute book of ELSO and shall have the same force and effect as a unanimous vote of the Board taken at an actual meeting. The Board members’ written consent may be executed in multiple counterparts or copies each of which shall be deemed an original for all purposes. Facsimile signatures and electronic signatures or other electronic “consent click” acknowledgments shall be effective as original signatures.

**Quorum**
At each meeting of the Board of Directors or Board Committees, the presence of one-third (1/3) of the members currently serving on the Board, but in no case less than two, shall constitute a quorum for the transaction of business. If at any time the Board consists of an even number of members and a vote results in a tie, then the vote of the Board Chairperson shall be the deciding vote. The act of the majority of the Board members serving on the Board or Board Committees and present at a meeting in which there is a quorum shall be the act of the Board or Board Committees, unless otherwise provided by the Articles of Incorporation, these Bylaws, or a law specifically requiring otherwise. If a quorum is not present at a meeting, the Board members present may adjourn the meeting from time to time without further notice until a quorum shall be present. However, a Board member shall be considered present at any meeting of the Board or Board Committee if during the meeting he or she is in video or telephone communication with the other Board members participating in the meeting.

**Proxy**
A Board member who is unable to attend a meeting of the Board or a Board Committee may vote by written proxy given to any other voting member of the Board or Committee or designated staff member who is in attendance at the meeting in question. However, a vote by proxy shall not be counted toward the number of Board members needed to be present to constitute a quorum for the transaction of business. No proxy shall be valid after three months from the date of execution. Each proxy shall be revocable unless expressly stated therein to be irrevocable or unless made irrevocable by law.
**Board Member Attendance**

An elected Board member who is absent from three consecutive regular meetings of the Board during a fiscal year shall be encouraged to reevaluate with the Board Chairperson his/her commitment to their ELSO Board position. The Board may deem a Board member who has missed four consecutive meetings without such a reevaluation with the Chairperson to have resigned from the Board.

**ARTICLE 6 – OFFICERS**

**Officers and Duties**

The members of the Board of Directors are the Officers of ELSO (as described in Article 5) and are also the Executive Committee of the ELSO Steering Committee. The same person may hold any number of offices, except that the Treasurer may not serve concurrently as the Chairperson of the Board. The Executive Director will be appointed by the Board and shall not serve concurrently in any other office. In addition to the duties in accordance with this Article, officers shall conduct all other duties typically pertaining to their office and other such duties which may be required by law, the Articles of Incorporation, or by these bylaws, subject to control of the Board of Directors, and they shall perform any other such additional duties that the Board of Directors may assign to them at their discretion.

The officers and other Board members will be elected annually by an electronic vote from a slate of nominees for open positions provided by the Steering Committee. Each active Institutional Member shall have one vote. The nominees receiving the majority of votes for each vacant office shall be elected. The results of the election will be reported by the then serving Board Chairperson at the next annual meeting of ELSO following the election.

An officer may be removed from his or her position with or without cause by the Board. All officers have the right to resign at any time by providing notice in writing to the Chairperson of the Board of Directors or the Secretary without bias or predisposition to all rights, if any, of ELSO under any contract to which said officer is a party. All resignations shall become effective upon the date in which the written notice of resignation was received or at any time later as may be specified within the resignation; and unless otherwise indicated within the written notice, a stated acceptance of the resignation shall not be required to make the resignation effective.

Any and all vacancies, in any office because of death, resignation, disqualification, removal or for any other cause, shall be filled as prescribed for regular appointments to such office. The compensation, if any, of the officers shall be fixed or determined by resolution of the Board of Directors.

**Chairperson of the Board (President of ELSO) (Chairperson of the ELSO Steering Committee)**

It shall be the responsibility of the Chairperson of the Board (President), when present, to preside over all meetings of the Board of Directors. The President is authorized to execute, in the name of ELSO, any and all contracts or other documents which may be authorized, either generally or specifically, by the Board to be executed by ELSO and when required by law that the President’s signature must be provided.

**Executive Director**

a) It shall be the responsibility of the Executive Director (ED), in general, to:
   i. Supervise and conduct all daily activities and operations of ELSO, subject to the control, advice and consent of the Board of Directors,
ii. Keep the Board of Directors completely informed and shall freely consult with them in relation to all activities of ELSO,

iii. See that all orders and/or resolutions of the Board are carried out to the effect intended.

iv. Act, speak for, or otherwise represent ELSO between meetings of the Board.

b) The ED shall be responsible for the hiring and firing of all personnel and shall be responsible for keeping the Board informed at all times of staff performance and for implementing any personnel policies which may be adopted and implemented by the Board.

c) The ED is authorized to:

i. contract, receive, deposit, disburse, and account for all funds of ELSO;

ii. execute in the name of ELSO all contracts and other documents authorized either generally or specifically by the Board to be executed by ELSO, and

iii. To negotiate any and all material business transactions of ELSO.

d) The ED shall serve as the registered agent of ELSO.

e) The Board of Directors shall select the ED and may place the ED under a contract of employment where appropriate.

**Treasurer (Chief Financial Officer)**

The Treasurer shall also be the Chief Financial Officer. It shall be the responsibility of the Treasurer to keep and maintain, or cause to be kept and maintained, adequate and accurate accounts of all the properties and business transactions of ELSO, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall be responsible for ensuring the deposit of, or cause to be deposited, all money and other valuables as may be designated by the Board of Directors. Furthermore, the Treasurer shall disburse, or cause to be disbursed, the funds of ELSO, as may be ordered by the Board of Directors, and shall render to the Chairperson and directors, whenever they request it, an account of all the Treasurer’s transactions as Treasurer and of the financial condition of ELSO.

The Treasurer shall give ELSO a bond, if so requested and required by the Board of Directors, in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the Treasurer’s office and for restoration to ELSO of all its books, papers, vouchers, money and other property of every kind in the Treasurer’s possession or under the Treasurer’s control upon the Treasurer’s death, resignation, retirement, or removal from office. ELSO shall pay the cost of such bond.

In the absence of the Chairperson, or in the event of his/her inability or refusal to act, it shall then be the responsibility of the Treasurer to perform only for such meeting or the duration of such absence all the duties of the Chairperson, and in doing so shall have all authority and powers of, and shall be subject to all of the restrictions on, the Chairperson.

**Secretary**

The Secretary, or his/her designee, shall be the custodian of all records and documents of ELSO that are required to be kept at the principal office of the Corporation, shall act as Secretary at all meetings of the Board of Directors, and shall keep the minutes of all such meetings in books proposed for that purpose. She or he shall attend to the giving and serving of all notices of ELSO and shall see that if the seal of ELSO is affixed to a document, the execution of that document is duly authorized in accordance with the provisions of these bylaws.
ARTICLE 7 –STEERING COMMITTEE

Executive Committee of the Steering Committee
The Board of Directors shall also serve as the Executive Committee of the Steering Committee of ELSO.

Steering Committee Responsibilities
General activities of ELSO that do not require action by the Board of Directors will be directed by a Steering Committee. The responsibilities of the Steering Committee are:
a) To define the details and functions of ELSO.
b) To set membership dues, and solicit institutional, foundation, and industrial grants.
c) To appoint ad hoc committees, charge each committee, and coordinate committee activities.
d) To determine the priorities of ELSO, and implement related programs.
e) To communicate the activities of ELSO both inside and outside the membership.
f) To act as the Nominating Committee for new Steering Committee members, Board Members, and Officers other than the Executive Director. Each year, the Nominating Committee will nominate one or more candidates for each open position on the Board of Directors/Officers and other members of the Steering Committee.
g) To adopt the bylaws and from time to time amend them to meet the needs of ELSO.

Steering Committee Membership
The Steering Committee shall consist of:
• The members of the Board of Directors (who are also the Executive Committee of the Steering Committee);
• One representative from each Affiliate Chapter;
• Six members at large, one of whom is an institutional coordinator; and
• Three professional liaison members, one who is a nurse, one who is a perfusionist, and one who is a respiratory therapist, who are nominated by a relevant professional society and approved by the ELSO steering committee.

To be eligible for Steering Committee membership, a person must be in an active Extracorporeal Life Support (ECLS) leadership role (such as a physician leader or coordinator) at an ELSO Institutional Member Center and providing clinical care and be an ELSO member.

Steering Committee Terms
a) The term of membership of each Steering Committee member will be three years, renewable once. Terms begin at the annual meeting following election and conclude prior to the annual meeting in the year the term ends. Each year an election will be held to replace any members leaving the committee. A position on the Steering Committee may be held by only one individual.
b) The Chairperson of the Steering Committee will be elected every two years. The six-year term will be served as Chairperson elect (2 years), Chairperson (2 years), and past Chairperson (2 years). This term is not renewable.
c) These provisions will become effective following the adoption of these bylaws.
d) Steering Committee members will be ineligible for reappointment to the Steering Committee for three years after completing an initial term (or re-elected second term).
Proxy
A Steering Committee member from an Affiliate Chapter who is unable to attend a meeting of the Steering Committee may vote by written proxy given to another member of that chapter to represent the chapter. However, a vote by proxy shall not be counted toward the number of Steering Committee members needed to be present to constitute a quorum for the transaction of business. No proxy shall be valid after three months from the date of execution. Each proxy shall be revocable unless expressly stated therein to be irrevocable or unless made irrevocable by law.

Minutes
The Steering Committee Chairperson shall appoint an individual to act as recording Secretary at each meeting in which business shall be transacted. The appointed recording Secretary shall prepare the minutes of the meetings which shall be delivered to the Board to be placed in the minute books ELSO, hand delivered, emailed, or faxed within seven (7) business days after close of each Steering Committee meeting.

Quorum
The presence of nine members currently serving on the Steering Committee shall constitute a quorum for the transaction of business. If at any time the Steering Committee consists of an even number of members and a vote results in a tie, then the vote of the Chairperson shall be the deciding vote. If a quorum is not present at a meeting, the Steering Committee members present may adjourn the meeting from time to time without further notice until a quorum shall be present or may take action that shall be ratified within a reasonable time, as determined by the Steering Committee Chairperson, by no less than a majority of the Steering Committee members. However, a Steering Committee member shall be considered present at any meeting of the Committee if during the meeting he or she is in video or telephone communication with the other members participating in the meeting.

ARTICLE 8. OTHER COMMITTEES

Committees of Directors
The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these bylaws. Each such committee shall consist of two (2) or more directors, and may also include persons who are not on the Board, to serve at the pleasure of the Board. The Board may designate one or more alternative members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee required the vote of a majority of the directors then in office, provided that a quorum is present. The Board of Directors may also designate one or more advisory committees that do not have the authority of the Board. However, no committee, regardless of Board resolution, may:

a) Approve of any action that, pursuant to applicable Law, would also require the affirmative vote of the members if this were a membership.

b) Fill vacancies on, or remove the members of the Board of Directors, or in any committee that has the authority of the Board.

c) Fix compensation of the directors serving on the Board or on any committee.

d) Amend or repeal the Article of Incorporation or bylaws or adopt new bylaws.

e) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.

f) Appoint any other committees of the Board of Directors or their members.
g) Approve a plan of merger; consolidation; voluntary dissolution; bankruptcy or reorganization; or for the sale, lease, or exchange of all or considerably all of the property and assets of ELSO otherwise than in the usual and regular course of its business; or revoke any such plan.
h) Approve any self-dealing transaction, except as provided pursuant to law.

Unless otherwise authorized by the Board of Directors, no committee shall compel ELSO in a contract or agreement or expend ELSO funds.

Meetings and Actions of Committees
Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Article 5 - Board of Directors of these bylaws, concerning meetings and actions of the directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules not inconsistent with the provisions of these bylaws for the government of any committee.

Audit Committee
a) The Board, at its sole discretion, shall appoint an Audit Committee, which shall otherwise govern the committee’s operations, and of which the committee may be comprised of one or more persons of which may include persons other than directors of the corporation.
b) The membership of the Audit Committee shall not include the following persons:
   i. The Chairperson of the Board;
   ii. The Treasurer of ELSO;
   iii. Any employee of ELSO; or
   iv. Any person with a material financial interest in any entity doing business with ELSO.
c) In the event that the Board should appoint a Finance Committee, the members of said Finance Committee must compose less than one-half (1/2) of the membership of the Audit Committee and the Chairperson of the Finance Committee shall not serve on the Audit Committee.
d) The Audit Committee shall make recommendations to the Board of Directors regarding frequency of audits, the hiring and termination of an auditor, who shall be an independent certified public accountant, and may be authorized by the Board to negotiate the auditor’s reimbursement.
e) The Audit Committee shall consult with the auditor to assure its members that ELSO’s financial affairs are in order and after review shall determine whether to accept the audit.
f) It shall be the responsibility of the Audit Committee to ensure that the auditor’s firm adheres to the standards for auditor independence, as set forth in the latest revision of the Government Auditing Standards, which have been published by the Controller of the United States, or any standards established and published by the Attorney General of Michigan.

ARTICLE 9. MEMBERS

Institutional Membership
a) Each extracorporeal life support program that contributes cases to ELSO Registry (a “Limited Data Set” from participating centers useful for quality assurance purposes) is considered to be an Active “Institutional Member” of ELSO. Active status of an Institutional Member is maintained for as long
as the Institutional Member regularly contributes cases to the Registry and pays its dues. An Institutional Member is inactive if it has not reported any cases to the Registry for period of twelve consecutive months, or if its dues are in arrears for more than six months.

b) In any action of ELSO, which is to be determined by vote of the Institutional Members, each Institutional Member shall have one vote. The voting representative shall be the Institution Member’s ECLS Program Director or his or her designee.

c) Each active Institutional Member may designate as many individual representatives as it wishes to participate in the various activities of ELSO. Inactive Institutional Members and their individual representatives may not participate in the activities of ELSO.

**Corporate Membership**

a) “Corporate Membership” may be held by corporations who are active in research and development of extracorporeal devices, drugs, and techniques.

b) Each Corporate Member may designate as many individual representatives as it wishes to participate in the various activities of the organization.

c) Corporate Members shall not vote and may not attend Steering Committee meetings except by special invitation of the Steering Committee.

**Individual Membership**

a) ECMO clinicians, research scientists, and members of regulatory and public health institutions are eligible and encouraged to participate as Individual Members in ELSO. Individual members can be part of an ELSO Member Center or a clinician or scientist from a non-ELSO center. Individual members receive specified benefits for membership separate from Member Center privileges, and may participate in all the activities of the organization. Voting in organizational actions takes place at the center level, and individual members do not vote.

**ARTICLE 10. AFFILIATE CHAPTERS**

**Affiliate Chapters**

a) The Steering Committee may authorize the formation of “Affiliate Chapters” that represent ELSO centers within a geographical location.

b) An Affiliate Chapter shall have a Chapter Steering Committee with the same organizational structure and processes approved by the Steering Committee of ELSO.

c) Membership in an Affiliate Chapter is limited to institutions in the given geographic location.

**Chapter Authority**

a) The Chapter Steering Committee may conduct business related to chapter activities, including establishment of a name, charter and bylaws, policy statements, Steering Committee appointments, conferences and courses, recruiting efforts and grants, pending parent Steering Committee approval.

b) The administration and maintenance of membership, establishment and receipt of dues, and administration and operation of the Registry shall remain the responsibility of ELSO Steering Committee.

c) Each Affiliate Chapter shall establish a charter and bylaws that are consistent with the goals of ELSO and these bylaws and that are subject to the approval of ELSO Steering Committee.

d) An Affiliate Chapter not conforming to its established bylaws may be dissolved by ELSO

e) Institutional, Corporate, and Individual Memberships shall remain in ELSO even if located within the geographic region of the dissolved Affiliate Chapter.
**Chapter Finances**

a) Each Affiliate Chapter shall establish appropriate means for maintaining and accounting for funds received and distributed. Each Affiliate Chapter shall be financed through the following:
   
i. Twenty-five percent (25%) of the dues of the Affiliate Chapter Institutional Members shall be distributed to the chapter.
   
ii. Proceeds from Affiliate Chapter activities such as educational activities and grant awards shall remain with the Affiliate Chapter.
   
iii. Additional *ad hoc* allocations from ELSO as authorized by the parent Steering Committee.

b) An Affiliate Chapter Treasurer shall be elected from the Affiliate Chapter Steering Committee at-large membership.

c) Each Affiliate Chapter shall submit a budget for the subsequent calendar year to the ELSO Steering Committee Treasurer at the time of ELSO Steering Committee’s annual meeting.

**ARTICLE 11 - STANDARD OF CONDUCT**

**General**

The members of the Board of Directors shall perform all the duties of a director, including, but not limited to, duties as a member of any committee of the Board on which the director may serve in such a manner as the director deems to be in the best interest of this ELSO and with such care, including reasonable inquiry, as an ordinary prudent and reasonable person in a similar situation may exercise under similar circumstances.

In the performance of the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

a) One or more officers or employees of ELSO whom the director deems to be reliable and competent in the matters presented;

b) Counsel, independent accounts or other persons as to the matters which the director deems to be within such person’s professional or expert competence; or

c) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director deems to merit confidence.

So long as in any such case, the director acts in good faith, after reasonable inquiry when the need may be indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as herein provided in ELSO Conflict of Interest Policy, any person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person’s obligations as a directors, including, without limitation of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which ELSO, or assets held by it, are dedicated.

**Loans**

ELSO shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that ELSO may advance money to a director or officer of ELSO or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such
officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

**Conflict of Interest**
The purpose of the Conflict of Interest policy is to protect ELSO’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, or that might otherwise benefit in the private interest of one of its officers or directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations and is not intended as an exclusive statement of responsibilities.

**Duty to Disclose**
In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors, who are considering the proposed transaction of arrangement.

**Establishing a Conflict of Interest**
After the disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while establishing a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

**Addressing Conflict of Interest**
In the event that the Board should establish that a proposed transaction or arrangement establishes a conflict of interest, the Board shall then proceed with the following actions:

a) Any interested individual may render a request or report at the Board meeting, but upon completion of said request or report the individual shall be excused while the Board discusses the information and/or material presented, and then votes on the transaction or arrangement proposed involving the possible conflict of interest.

b) The Chairperson of the Board shall, if deemed necessary and appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c) After exercising due diligence, the Board shall determine whether ELSO can obtain reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in ELSO’s best interest, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction arrangement in conformity with this determination.

**Violations of Conflict of Interest Policy**
Should the Board have reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, the Board shall then inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.
If, after hearing the interested person’s explanation and after making further investigation as may be warranted in consideration of the circumstances, the Board determines the interested person intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Procedures and Records**

All minutes of the Board Meetings, when applicable, shall contain the following information:

a) The names of all the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board’s decision as to whether a conflict of interest in fact existed.

b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**Annual Statements**

Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

a) Has received a copy of the conflict of interest policy;

b) Has read and understands the policy;

c) Has agreed to comply with the policy; and

d) Understands ELSO is charitable and in order to maintain its federal tax exemption it must engage primarily activities, which accomplish one or more of its tax-exempt purposes.

**Mutual Directors**

No contract or transaction or transaction between ELSO and any non-profit public benefit organization, of which one or more of its directors are also directors or officers of ELSO, is void or voidable because such director(s) are present at a meeting of ELSO Board that authorizes, approves, or ratifies the contract or transaction if: i) the material facts as to the transaction and as to such director’s other directorship are fully disclosed or known to the Board, and ii) the Board authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common director(s).

**Restriction on Interested Directors**

Not more than one of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (1) any person currently being compensated by ELSO for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director; and (2) any brother, sister, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, mother-in-law, or father-in-law of any such person.

**Indemnification**

To the fullest extent permitted by law, ELSO shall indemnify its “agents,” as described by law, including its directors, officers, employees and volunteers, and including persons formerly occupying any such position, and their heirs, executors and administrators, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding,” and including an action by or in the right of ELSO, by reason of the fact that the person is
or was a person described in the Non-Profit Corporation Act. Such right of indemnification shall not be
deemed exclusive of any other right to which such persons may be entitled apart from this Article.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific
instance, expenses incurred by a person seeking indemnification in defending any “proceeding” shall be
advanced by ELSO of an undertaking by or on behalf of that person to repay such amount unless it is
ultimately determined that the person is entitled to be indemnified by ELSO for those expenses.

ELSO shall have the power to purchase and maintain insurance to the fullest extent permitted by law on
behalf of any agent of ELSO, against any liability asserted against or incurred by the agent in such
capacity or arising out of the agent’s status as such, or to give other indemnification to the extent
permitted by law.

**ARTICLE 12 – EXECUTION OF CORPORATE INSTRUMENTS**

*Execution of Corporate Instruments*
The Board of Directors may, in its discretion, determine the method and designate the signatory officer
or officers or other person or persons, to execute any corporate instrument or document, or to sign the
corporate name without limitation, except when otherwise provided by law, and such execution or
signature shall be binding upon ELSO.

Unless otherwise specifically described in these bylaws, determined by the Board of Directors, or
otherwise required by law, formal contracts of ELSO requiring transfer of funds or other financial
commitments by ELSO such as, promissory notes, deeds of trust, mortgages, and other evidences of
indebtedness of ELSO, and other corporate instruments or documents, memberships in other
organizations, shall be executed, signed and/or endorsed by the Treasurer.

All checks and drafts drawn on banks or other depositories on funds to the credit of ELSO, or in special
accounts of ELSO, shall be signed by the Executive Director and/or such person or persons as the Boards
of Directors shall authorize to do so.

*Loans and Contracts*
No loans or advances shall be contracted on behalf of ELSO and no note or other evidence of
indebtedness shall be issued in its name unless and except as the specific transaction is authorized by
the Board of Directors. Without the express and specific authorization of the Board, no officer or other
agent of ELSO may enter into any contract or execute and deliver any instrument in the name of and on
behalf of ELSO.

**ARTICLE 13– RECORDS AND REPORTS**

*Maintenance and Inspection of Articles and Bylaws*
ELSO shall keep at its principal office the original or a copy of its Articles of Incorporation and bylaws as
amended to date, which shall be open to inspection by the director’s at all reasonable times during
office hours.
**Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns**
ELSO shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

**Maintenance and Inspection of Other Corporate Records**
ELSO shall keep adequate and correct books and records of accounts, and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at a place or places as designated by the Board and committees of the Board, or in the absence of such designation, at the principal office of ELSO. The minutes shall be kept in written, typed, or recoverable electronic form, and other books and records shall be kept either in written or typed form or in any form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of ELSO shall turn over to his or her successor or the Chairperson, in good order, such monies, books, records, minutes, lists, documents, contracts or other property of ELSO as have been in the custody of such officer, employee, or agent during his or her term of office.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of ELSO and each of its Affiliate Chapters. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

**Preparation of Annual Financial Statements**
ELSO shall prepare annual financial statements using generally accepted accounting principles. Such statements shall be audited by an independent certified public accountant, in conformity with generally accepted accounting standards, under supervision of the Audit Committee established by these bylaws. ELSO shall make these financial statements available to the Michigan Attorney General and members of the public for inspection no later than three months after the close of the fiscal year to which the statement relates.

**Reports**
The Board shall ensure an annual report is to be sent to all directors within 120 days after the end of ELSO’s fiscal year, and which shall contain the following information:

a) The assets and liabilities, including the trust funds, of this corporation at the end of the fiscal year.
b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
c) The expenses or disbursements of ELSO for both general and restricted purposes during the fiscal year.
d) The information required by Non-Profit Corporation Code concerning certain self-dealing transactions involving more than $50,000 or indemnifications involving more than $10,000 which took place during the fiscal year.

The report shall be accompanied by any pertinent report or independent accountants, or, if there is no such report, the certificate of an authorized officer of ELSO that such statement were prepared without audit from the books and records of ELSO.
ARTICLE 14 – FISCAL YEAR

The fiscal year for this ELSO shall begin on January 1st and shall end on December 31st

ARTICLE 15 – AMENDMENTS AND REVISIONS

These bylaws may be adopted, amended or repealed by the vote of the majority of the members of the Steering Committee then in office. Such action is authorized only at a duly called and held meeting of the Steering Committee for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefore, is given in accordance with these bylaws. If any provision of these bylaws requires the vote of a larger proportion of the Steering Committee than is otherwise required by law, that provision may not be altered, amended or repealed by that greater vote.

ARTICLE 16 – CORPORATE SEAL

The Board of Directors may adopt, use and alter a corporate/Organization seal. The seal shall be kept at the principal office of ELSO. Failure to affix the seal to any corporate instrument, however, shall not affect the validity of that instrument.

ARTICLE 17 – CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the applicable Non-Profit Corporation Law as amended from time to time shall govern the construction of these bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term “person” includes ELSO as well as a natural person. If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.