

BY-LAWS of AMERICAN FRIENDS OF ALYN HOSPITAL, INC.

ARTICLE I

NAME

Section 1.01: Name. The name of this corporation is American Friends of ALYN Hospital, Inc. (the "Corporation").

ARTICLE II

PURPOSE

Section 2.01: Purpose. The purposes of the Corporation are to raise awareness of and collect charitable contributions for ALYN-Woldenberg Family Hospital/Pediatric and Adolescent Rehabilitation Center ("ALYN Hospital") located in Kiryat Hayovel, Jerusalem, Israel from personal and organizational sources anywhere in the United States of America and such other purposes as may be permitted in the Certificate of Incorporation.

ARTICLE III

MEMBERS

Section 3.01: Members: The Corporation shall have no members.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.01: Powers. The property, affairs and activities of the Corporation shall be managed by the Board of Directors, except as otherwise provided by statute.

Section 4.02. Number and Election of Directors. The authorized number of Directors of the Corporation shall not be less than ten (10), nor more than thirty (30) members, each of whom shall have one vote. Within such limits the number of directors shall be fixed by vote of a majority of the entire Board of Directors at any meeting, provided that no reduction in the number of directors shall affect any director whose term of office shall not have expired. Directors shall be chosen by a vote of a majority of directors present at the meeting at which the election is held provided that a quorum is then present.

Section 4.03. Qualification. Each director shall be at least eighteen (18) years of age.

Section 4.04: Term of Office. Except as may be necessary to stagger the election of directors, each director (whether elected at an annual winter meeting of the Board of Directors or to fill a vacancy, or otherwise) shall be elected to a three year term and shall continue in office until the close of the election of directors at the winter meeting held three years after his or her election and until a successor shall have been elected and qualified, or until his or her death, resignation or removal. Any director elected to fill an unexpired term (whether resulting from the death, resignation or removal or created by an increase in the number of directors) shall hold office until the close of the election of directors at the winter meeting within the third year of his or her term and until a successor shall have been elected and qualified, or until his or her death, resignation or removal. A director may serve consecutive terms, however Executive Committee positions, (with the exception of the Chairperson), can only serve one term of three (3) years. If at the end of the three (3) years there is no one to fill the Executive Committee position, the Board can extend the term for an additional six (6) months; this can be renewed as necessary.

Section 4.05: Removal. Any director may be removed at any time with or without cause by a vote of two thirds of the directors of the Board then in at any meeting of the Board of Directors provided that at least fourteen (14) day's written notice of the proposed action shall have been given to the entire Board then in office. The written notice shall be in the manner specified in Section 4.11.

Section 4.06: Resignation. Any director may resign from office at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the Corporation or its President. The acceptance of a resignation by the Board shall not be necessary to make it effective, but no resignations shall discharge any accrued obligation or duty of a director.

Section 4.07: Vacancies and Newly Created Directorships: Any newly created directorships, and any vacancies on the Board arising at any time as a result of the death, removal or resignation of a director, shall be filled at any meeting of the Board by a majority of the directors then in office, regardless of their number, and the directors so elected shall serve until the next meeting.

Section 4.08: Honorary Board Members. The Board of Directors may have additional non-voting members including Honorary Board Members and Advisory Board Members. Honorary and Advisory Board Members shall be appointed at the discretion of the President and the Board may make recommendations.

Section 4.09: Regular Meetings. The Board of Directors shall meet at regular meetings at least three (3) times a year in each of the Fall, Winter and Spring. Meetings of the Board may be held at any place within or without the State of New York as the Board may from time to time fix, or

as shall be specified in the notice or waivers of notice thereof. Regular meetings of the Board shall be held at a time and place fixed by the Board.

Section 4.10: Special Meetings. Special meetings of the Board shall be held whenever called by written demand of two thirds of the directors of the entire Board, or the President, in each case at such time and place as shall be fixed by the person or persons calling the meeting.

Section 4.11: Notice of Meetings. Written notice of the time and place of each Regular Meeting of the Board shall be sent via electronic mail emailed or by facsimile to each director at the email address or facsimile number provided by the director, at least 14 days, and not more than 45 days, before the day on which the meeting is to be held. Written notice of special meetings to discuss matters requiring prompt action may be sent to the director by email or facsimile, no less than forty- eight hours before the time at which such meeting is to be held, unless the meeting must be held within forty-eight hours. Notice of a meeting need not be given to any director who submits a signed written waiver, or an electronic waiver, of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement. No notice need be given of any adjourned meeting.

Notice of meetings will be sent by first class mail to any member who requests in writing that such notices be delivered by such method.

Section 4.12: Quorum and Voting. Unless greater proportion is required by law or by these By-Laws, a quorum of the Board shall consist of ten (10) members for the transaction of business or of any specified item of business. Except as otherwise provided by law or by these By-Laws, the vote of a simple majority of the directors present at the time of the vote, if a quorum is present at such time, shall constitute an act of the Board. If at any meeting of the Board there shall be less than a quorum present, the directors present may adjourn the meeting until a quorum is obtained. Past Presidents shall remain on the Board as voting members unless he or she resigns or is removed by the Board.

Section 4.13: Non-voting Members: The Board of Directors may have additional non-voting members including Honorary Board Members and Advisory Board Members.

Section 4.14. Attendance at Meetings. Attendance at Board or committee meetings may be in person, by conference telephone or similar electronic equipment or by electronic video screen communication. Participation by such means shall constitute presence in person at a meeting so long as all persons participating in the meeting can hear each other at the same time and each director can participate in all matters before the board, including, without limitation, the ability to propose, object to, and vote upon a specific action to be taken by board or committee. Attendance at Board Meetings is required (a minimum of 2 per year) to remain a member in good standing.

Section 4.15. Contribution Obligation. Each member shall be required to make an aggregate annual gift to the Corporation of a minimum of \$1800. Members of the Board who are married to other members of the Board shall be required to make a joint aggregate annual gift to the Corporation of a minimum of \$3000 per couple. The annual Contribution Obligation must be made by or before December 31.

Section 4.16. Action Without a Meeting. Any action required or permitted to be taken by the Board or by any committee thereof, may be taken without a meeting if all the members of the Board or the committee consent in the adoption of a resolution authorizing the action. Such consent may be written or electronic as provided in NPCL § 708. The resolution and the written or electronic consents thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.

Section 4.17: Committees of the Board. The Board, by resolution adopted by a majority of the entire Board, may establish and appoint committees, each consisting of three or more directors and each of which, to the extent provided in the resolution establishing it, shall have all authority of the Board except as to the following matters:

- (1) The submission to members of any action requiring members' approval under this chapter.
- (2) The filling of vacancies in the Board of Directors or in any committee.
- (3) The fixing of compensation of the directors for serving on the board or on any committee.
- (4) The amendment or repeal of the by-laws or the adoption of new by-laws.
- (5) The amendment or repeal of any resolution of the board which by its terms shall not be so amendable or repealable.

The President of the Board shall appoint a chairperson of each committee. Written minutes of all committee meetings shall be kept and recorded.

Section 4.18: Executive Committee: The Executive Committee shall consist of the President, the Vice Presidents, the Secretary and the Treasurer. The President may appoint up to three (3) additional members from the Board of Directors to serve on the Executive Committee. The duties of the Executive Committee shall be to carry on the business of the Board of Directors between meetings and to report and make recommendations to the Board of Directors. The Executive Committee shall meet prior to every Board meeting. Additional meetings may be called by the President or at the request of the Executive Director. Written minutes of all meetings of the Executive Committee shall be kept and recorded.

Section 4.19: Finance Committee: The Finance Committee shall be chaired by the Treasurer and shall have no less than three (3) and no more than five (5) members. The Finance Committee shall meet with the accountants and financial advisors and shall be responsible for presenting quarterly financial statements to the Board. The Finance Committee shall be responsible to set guidelines for the Corporation's daily operating balance and the amount of funds the Executive Director may spend without further Board approval. The Finance Committee shall work with the Executive Director to develop an annual budget. The Finance Committee shall meet at least once prior to every Board meeting and shall report and make recommendations to the Board. Written minutes shall be kept and recorded.

The Finance Committee shall be responsible for setting the guidelines and policies of the investment, maintenance and disbursement of the Corporation's Endowment Funds. For any liquidation/disbursement from the Endowment two (2) Finance Committee officers must approve the withdrawal. This needs to be documented with a memo to the secretary explaining the reason.

Section 4.20: Compensation Committee: The Board, by resolution adopted by a majority of the entire Board, shall designate a compensation committee (the "Compensation Committee") comprised of three or more independent directors.

The Compensation Committee shall meet at least annually to evaluate the performance of the Executive Director against the Corporation's goals and objectives and based on this evaluation, an on an evaluation of the reasonableness of the compensation, make a recommendation to the Board of the compensation level for the Executive Director.

To ensure that the compensation paid to the Executive Director is reasonable, the Compensation Committee shall obtain and rely on data at to comparability of compensation, such as the compensation paid by similarly situated organizations for functionally comparable positions. The Compensation Committee shall document in writing the basis for its determination that the compensation is reasonable concurrently with making that determination.

Section 4.21. Minutes. Written minutes of meetings of the Board of Directors shall be kept and recorded.

Section 4.22: Procedure. All business of the Board shall be conducted according to the Roberts Rules of Orders Revised or any revision thereof.

Section 4.23: Compensation. No director of the Corporation or business entity in which a director has an interest in is authorized to receive a salary or other compensation for services rendered to the Corporation unless authorized by the Board.

## ARTICLE V

### OFFICERS, EMPLOYEES, AND AGENTS

Section 5.01: Number of Officers and Qualifications. The officers of the Corporation shall be a President, one or more Vice-Presidents, a Secretary and a Treasurer, and such other officers, if any, as the Board may from time to time elect. Any two or more offices may be held by the same person, except the offices of President and Secretary. Each officer shall be a member of the Board.

Section 5.02: Election and Term of Office. The officers of the Corporation shall be elected for one term of three (3) years at the annual winter meeting of the Board of Directors immediately following the election of directors. If at the end of the three (3) years there is no one to fill the Executive Committee position, the Board can extend the term for an additional six (6) months; this can be renewed as necessary.

Section 5.03: Resignations. Any officer or agent may be removed at any time by delivering a written resignation to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, or if not so specified, upon receipt thereof.

Section 5.04: Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board with or without cause by a vote of two-thirds of the Directors then in office at any regular or special meeting of the Board of Directors provided that at least seven day's written notice setting forth the proposed action be given to the entire Board then in office. Written notice shall be in the manner specified in Section 4.11.

Section 5.05: Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

Section 5.06: Other Agents and Employees. The Board of Directors may from time to time appoint such agents and employees as it shall deem necessary, each of whom shall hold office during the pleasure of the Board, and shall have such authority and perform such duties as the Board may from time to time determine.

Section 5.07: President: Powers and Duties. The President shall preside at all meetings of the Board of Directors and shall generally supervise the affairs of the Corporation. The President shall keep the Board fully informed about the activities of the Corporation. He or she shall have

the power to sign alone, unless the Board of Directors shall specifically require an additional signature, in the name of the Corporation all contracts authorized either generally or specifically by the Board of Directors. The President shall also have such other powers and perform such other duties as the Board of Directors may from time to time prescribe. In the absence of or inability of the President to act, the First Vice President shall perform all the duties and may exercise any of the powers of the President. The President shall be a signatory on all accounts of the Corporation.

Section 5:08: First Vice President: Powers and Duties. The First Vice President shall have such powers and perform such duties as the Board of Directors may from time to time prescribe. In the event that the President is unable to fulfill the responsibilities of the office of President, those duties and powers shall be vested in the First Vice President until the President is able to resume these duties.

Section 5:09: Second Vice President: Powers and Duties. The Second Vice President shall have such powers and perform such duties as the Board of Directors may from time to time prescribe. In the event that both the President and First Vice President are unable to fulfill the responsibilities of the office of President, those duties and powers shall be vested in the Second Vice President until either the President or First Vice President is able to resume these duties.

Section 5:10: Treasurer: Powers and Duties. The Treasurer shall keep or cause to be kept full and accurate accounts of receipts and disbursements of the Corporation, and shall deposit or cause to be deposited all moneys, including, without limitation, the Endowment Funds, evidences of indebtedness and other valuable documents of the Corporation in the name and to the credit of the Corporation in such banks or depositories as the Board of Directors may designate. At the annual winter meeting and whenever else required by the Board, the Treasurer shall render a statement of the Corporation's accounts. The Treasurer shall be a signatory on all accounts of the Corporation and shall be Chairman of the Finance Committee.

At the annual winter meeting of the Board of Directors, the Treasurer and President shall present a statement of the Corporation's accounts showing in appropriate detail: (1) the assets and liabilities of the Corporation as of a twelve month fiscal period terminating not more than six months prior to the meeting; (2) the principal changes in assets and liabilities during that fiscal period; (3) the revenues or receipts of the Corporation, both unrestricted and restricted to particular purposes, for that fiscal period; and (4) the expenses or disbursements of the Corporation, for both general and restricted purposes, during said fiscal period. The report shall be filed with the minutes of a meeting of the Board. The report to the Board may consist of a verified or certified copy of any report by the Corporation to the Internal Revenue Service or the Attorney General of the State of New York which includes the information hereinabove specified.

The Treasurer shall at all reasonable times exhibit the Corporation's books and accounts to any Officer or Director of the Corporation, and shall perform all duties incident to the position of Treasurer, and such other duties as shall from time to time be assigned to him or her by the Board, subject to the control of the Board.

Section 5.11: Secretary: Powers and Duties. The Secretary shall keep, or cause to be kept, the minutes of all meetings of the Board of Directors in books provided for that purpose and distribute or cause to distribute them to the entire Board membership. The Secretary shall be responsible for the giving and serving or causing the giving and service of all notices of the Corporation, and shall perform all the duties customarily incident to the office of Secretary, subject to the control of the Board, and shall perform such other duties as may from time to time be assigned to him or her by the Board. The Secretary shall be an additional signatory of the Corporation.

Section 5.12: Executive Director: The Executive Director shall be appointed by the Board to function as Chief Executive Officer. As such, he or she shall be indemnified by the same policy covering Directors of the Corporation. The Executive Director shall be accountable to the Board for the everyday operation of the Corporation. The Executive Director shall be salaried and his or her compensation shall be reviewed annually by the Compensation Committee which shall present its recommendations to the Board for approval.

Section 5.13: Compensation. No person whose compensation is being determined during a committee meeting or Board meeting, may be present at or otherwise participate in any deliberation or vote on that person's compensation.

## ARTICLE VI

### AUDIT OVERSIGHT

Section 6.01: Audit Oversight. The Board, by resolution adopted by a majority of the entire Board, shall designate an audit committee (the "Audit Committee") comprised solely of no less than three independent directors (as defined in NPCL<sup>1</sup> 102.21), to oversee the accounting and financial reporting processes of the Corporation and the audit of the Corporation's financial statements. The Audit Committee shall annually retain, or renew the retention of, an independent auditor to conduct the audit and, upon completion thereof, review the results of the audit and any related management letter with the independent auditor.

The Audit Committee also shall:

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<sup>1</sup> New York Not for Profit Corporation Law.



- (1) review with the independent auditor the scope and planning of the audit prior to the audit's commencement;
- (2) upon completion of the audit, review and discuss with the independent auditor:
  - (a) any material risks and weaknesses in internal controls identified by the auditor;
  - (b) any restrictions on the scope of the auditor's activities or access to requested information;
  - (c) any significant disagreements between the auditor and management; and
  - (d) the adequacy of the corporation's accounting and financial reporting processes;
- (3) annually consider the performance and independence of the independent auditor; and
- (4) report on the committee's activities to the board.

The Audit Committee of the board shall oversee the adoption, implementation of, and compliance with any conflict of interest policy or whistleblower policy adopted by the Corporation.

Written minutes of Audit committee meetings shall be kept and recorded.

## ARTICLE VII

### CONFLICT OF INTEREST

Section 7.01: Definition of Conflict of Interest. A director has a conflict of interest if he or she has an existing or potential business, financial or personal interest or holds an elected or appointed position that could impair or might reasonable impair the exercise of independent, unbiased judgment in the discharge of his or her responsibilities to the Corporation. A conflict will be deemed to exist if the business, financial or personal interest or elected or appointed position is held by the director or by a family member (spouse, parent, siblings, children or other close relative), or any organization in which the director or family member as defined, is an officer, director, employee, Trustee or material stockholder.

Section 7.02: Conflict of Interest Policy. The Corporation adopts the Conflict of Interest Policy in the form attached hereto as Exhibit A. Directors shall complete the Questionnaire attached to the Conflict of Interest Policy on an annual basis unless otherwise provided in the Conflict of Interest Policy.

## ARTICLE VIII

### RELATED PARTY TRANSACTIONS

Section 8.01: Related Party. A “Related Party” is defined as any director, officer or key employee of the company, relatives of such individuals, any corporation in which that person has 35% or more ownership, or any partnership or professional corporation in which that person has a 5% or greater interest.

Section 8.02: Related Party Transaction. A Related Party Transaction is a transaction in which a Related Party has a substantial financial interest.

Section 8.03: Disclosure. A Related Party must disclose to the Board, or authorized committee, his or her interests in the transaction and may not participate in the vote and deliberations regarding the Related Party Transaction.

Section 8.04: Related Party Transactions. The Corporation shall not enter into a Related Party Transaction unless the Board determines that it is fair, reasonable and in the best interest of the Corporation at the time of such determination.

Prior to entering into Related Party Transaction where the Related Party has a substantial interest, the Board, or authorized committee, shall consider alternative transactions to the extent available. The Corporation shall not enter into a Related Party Transaction unless it is approved by a majority of the directors or committee members present at the meeting and Board or committee shall contemporaneously document in writing the basis for its approval, including its consideration of any alternative transactions.

## ARTICLE IX

### CONTRACTS, CHECKS, BANK ACCOUNTS AND INVESTMENTS

Section 9.01: Checks, Notes and Contracts. The Board of Directors is authorized to select the banks or depositories it deems proper for the funds of the Corporation and shall determine who

shall be authorized on the Corporation's behalf to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and documents.

Section 9.02: Investments. The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, including stocks, bonds or other securities, as the Board of Directors may deem desirable.

## ARTICLE X

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 10.01: Indemnification. The Corporation shall provide indemnification of its directors and officers to the fullest extent permitted by and in accordance with the standards and procedures provided for by sections 721 through 726 of the Not-for-Profit Corporation Law.

## ARTICLE XI

### OFFICE AND BOOKS

Section 11.01: Office. The office of the Corporation shall be located at such place as the Board may from time to time determine.

Section 11.02: Books. There shall be kept at the office of the Corporation correct and complete books and records of account of the activities and transactions of the Corporation, including a minute book which shall contain a copy of the Certificate of Incorporation, a copy of these By-Laws, and all minutes of meetings of the Board of Directors.

## ARTICLE XII

### FISCAL YEAR

Section 12.01. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

## ARTICLE XIII

### CHAPTER RELATIONS

Section 13.01: Chapter Guidelines. In order to ensure compliance with IRS regulations and maintain tax-exempt status, all chapters must follow national board policies including but not limited to:

1. submit of chapter budget to national office;
2. submit of copies of minutes of local Chapter Board Meetings to the national office;
3. forward all funds in excess of those needed to meet chapter operating budgets to the national office;
4. secure proper permits for any and all raffles and forward copies of said permits to the national office;
5. have discretion concerning design and concept of invitations and other materials used locally, subject to approval by the National Office;
6. Supply copies of pertinent financial materials as requested by the National Board's accountant for auditing purposes;
7. Conform to the national By-Laws.

Any chapter action which, in the opinion of counsel to the Corporation, may result in the revocation of the Corporation's tax exempt status under 501(c)(3) of the Internal Revenue Code or subject the Corporation to fines and/or penalties will result in the dissolution of the chapter. In the event of the dissolution of the chapter, all assets remaining after chapter liabilities are met shall be forwarded to the National Office.

Chapters shall take no action that discloses the confidentiality of donors or conflicts with the solicitation policies established by the National Office.

Chapters shall conduct major local fundraisers in coordination and with the approval of the National Office. No fundraising event shall be held without the express written consent of the Executive Director.

Chapters shall have the Executive Director of the National Office as a signatory to their local bank account and insure that a copy of every monthly bank statement be sent directly to the National Office.

All Chapter Presidents shall be invited to all National Board Meetings as non-voting delegates.

## ARTICLE XIV

### AMENDMENTS TO BY-LAWS

Section 14.01. Amendments. All By-Laws may be amended or repealed by the affirmative vote of two-thirds of the entire Board. Such action is authorized only at a duly called and held meeting of the Board, for which written notice of such meeting is given in the manner set forth in Section 4.11, setting forth the proposed alteration. No amendment shall be valid if it shall cause the Corporation to lose its status as an exempt organization under Section 501 (c)(3) of the Internal Revenue Code.