

BYLAWS AND INTERPRETATIONS

OF

CLAN MACTAVISH USA, INC.

Revised 2011

A Bylaw to enact a new bylaw related generally to the conduct of the affairs of Clan MacTavish USA, Inc.

As adopted by the Board of Directors of Clan MacTavish USA, Inc. at this meeting of

_____, 2006.

INTERPRETATION

1. In this bylaw and all other bylaws and resolutions of Clan MacTavish USA, Inc. unless the context

Otherwise requires:

- a) "CMU" means Clan MacTavish USA, Inc.
 - b) "Board" or "Board of Directors" means the Board of Directors of CMU
 - c) "Director" means a person elected or appointed to or a permanent participant of the Board
 - d) "Member" means a member of CMU
 - e) "Advisor" means a member appointed by the Board to a non-voting advisory board
 - f) "Chief" means the hereditary Chief of the Clan MacTavish
 - g) "Chief's Representative" means a person appointed by the Chief
 - h) "Septs" means a name connected to Clan MacTavish
 - i) "Clan MacTavish" means the macTavish descendants and descendants of the septs and Associated family names of Clan macTavish (Thompson, Thomas, Thomson, Todd, Taweson, Thomason, Thom, MacElhose, MacLehose, MacTammany, MacLaws, MacCamish, MacCash, MacCavish, MacComb, MacCombie, MacComich, MacComie, Macomie, MacCosh, Stephens, Stephenson, Stevens, Stevenson, Cash, Kash and all variant spellings)
 - j) The singular includes the plural and the plural includes the singular
 - k) The masculine gender includes the feminine
2. CMU is incorporated pursuant to Sections 10-3A-1, *et seq.*, Code of Alabama (1975) as amended (the "Alabama Nonprofit Corporation Act") place of registration with the Judge of Probate Montgomery County, Alabama.
 3. Meetings of CMU will be governed by Robert's Rules of Order.
 4. In the event that the provisions of this bylaw conflict with the provisions in the Alabama Nonprofit Corporation Act, the provisions in the Alabama Nonprofit Corporation Act will apply.
 5. In the event of the provisions of this bylaw conflict with Robert's Rules of Order, the provisions of this bylaw shall apply.
 6. For the purpose of this bylaw, any document shall be deemed to be received seven (7) business days after the date that it is mailed.

HEAD OFFICE

7) The Head Office of CMU shall be the City of Oakville, in the Province of Ontario, Canada and at such place therein as the Board of CMU may determine from time to time. The principal office in

the United States shall be in the city of Waynesburg, Pennsylvania and at such place therein as the Board of CMU may determine from time to time.

8) (Revised 2011) The members of CMU shall be divided into classes. The Class I Member shall be responsible for appointing two persons to the Board which Directors shall serve for terms at the discretion of the Class I Member. The Chief of Clan MacTavish shall be the Member of Class I, and the Class I member shall serve as a member of the Board, but shall be a non-voting Director. If any heir of the Chief fails to assume his position as Chief of Clan MacTavish, his membership shall transfer to Clan MacTavish, Inc., but such membership shall revert to the heir in the event the heir assumes the position of Chief. All other persons seeking membership shall be Class II or III members as set forth below. Class II or III membership in Clan MacTavish USA, Inc. shall be granted to individuals; a) who have submitted the necessary application form; b) who have paid the membership fee required; c) who are interested in furthering the objectives of CMU and Clan MacTavish; and d) who have not been denied membership by the Board of Directors or the Chief of Clan MacTavish. The membership of CMU shall be divided into the following classes:

- Class I: Chief of Clan MacTavish
- Class II: Voting Member, which person is a descendant or related by blood or Marriage to Clan MacTavish family, septs or associated names.
- Class III: Voting Member, which person is not a descendant or related by Marriage to Clan MacTavish family, septs or associated names.
- Class IV: Non-voting Member, which person is an Honorary member.

9) (Revised 2011) Class II or Class III membership may be denied or rescinded by the Board of Directors at any time, upon reasonable grounds, which may include, but shall not be limited to, misrepresentation, misallocation of funds or evidence of conduct unbecoming a Member of CMU.

Class II or Class III membership may be denied or rescinded by the Chief of Clan MacTavish at any time.

10) A person who is denied Class II or III membership by the Board of Directors shall be advised of the decision in writing and of his right to request a hearing within seven (7) days of receipt of the decision.

11) A person who requests a hearing pursuant to Section 10, shall be granted a hearing before the Board, and the board shall consider the application and shall hear submission made by, or on the behalf of, both parties and shall make a decision.

12) A decision by the Board is final.

13) Any member may withdraw his membership by giving written notice to the attention of CMU and delivering the notice to the Head Office.

14) (Revised 2011) Each Class II or III membership shall be for a twelve-month term unless classed as a lifetime member. Each Class IV membership is perpetual.

- 15) Additional classes of membership may be established by bylaw amendment and fees shall be established by the Board from time to time, as it deems fit.

BOARD OF DIRECTORS

- 16) The affairs of CMU shall be managed by a Board of eleven (11) Directors comprised of Honorary President Chief of Clan MacTavish (non-voting), President, Vice President, Secretary, Treasurer, Membership Secretary, National Commissioner, two (2) Chief's Representatives and two (2) Director-at-Large.

ARTICLE ONE

OBJECTS AND PURPOSE

- 17) The nature of the objects and purposes of CMU shall be:
- a) To provide educational, charitable, cultural, recreational and social benefits to the general public in the area of Scottish culture.
 - b) To promote, perpetuate and encourage Scottish Traditions and Heritage throughout the United States. To that end CMU shall endeavor to educate, acquaint and disseminate information to the general public and to MacTavish descendants and the septs and associated family names of Clan MacTavish by all available means, of the important contributions of MacTavish and MacTavish descendants, septs and associated names to the economic, scientific, cultural, military and public life of the United States.
 - c) To further promote, perpetuate and encourage Scottish Traditions and Heritage by serving as Clan Sponsor at various Scottish Highland Games and Gatherings.
 - d) CMU is a representative of the Clan MacTavish, its septs and associated family names, not the Clan itself. As such, in addition to the objects and purposes listed above, it maintains and promotes a transparent, democratic, fiscally responsible organization and fosters open, ongoing, constructive communication with the Chief of Clan MacTavish.

ARTICLE TWO

MEMBERSHIP

- 18) **ANNUAL MEMBERSHIP (Revised 2011)**

Individuals may become Annual Members by proper application and a non-refundable contribution of US \$30 annually to CMU. Each paid annual membership for, those who are descendants of or married to the MacTavish family or its septs and associated family names, shall have one vote per paid membership application. Class II Members may nominate Directors for election, participate in committees and serve as Chair, hold office, serve on the board of Directors or, if approved, be appointed to an Advisory Board of Directors.

Each paid annual membership for those who are not descendants or are not married to the MacTavish family or its septs and associated names, shall have one vote per paid membership application. Class III Members may nominate Directors for election, participate in committees and serve as Chair, hold office, serve on the board of Directors or, if approved, be appointed to an Advisory Board of Directors.

No individual may hold more than one paid membership.

All Class II and Class III members must be current with their membership contributions in order to be eligible to vote. Annual membership contributions are current if properly received on or before the fifteenth (15th) of the month in which membership was established or re-established as determined by the Membership Secretary.

Annual members shall also have all other privileges, rights and benefits of CMU.

19) SENIOR DISCOUNTS ON ANNUAL MEMBERSHIPS

Individuals 65 years of age or older may become Annual Members at a non-refundable contribution of US \$20 annually to CMU. Otherwise, all other terms of membership are as per Section 18 above.

20) LIFE MEMBERSHIP (REVISED 2011)

The Class I Member and his heirs shall be Life Members without application or contribution. The Class I Member may nominate Directors for election, participate in committee and serve as Chair, and be appointed to an Advisory Board of Directors. The Class I Member's heirs shall be deemed Class II Members and shall have all rights and privileges thereunder until such time as an heir succeeds to become Chief, in which case such heir will become the Class I Member. Class II Members who are heirs of the Class I Member are not prohibited from seeking election to or serving on the Board of Directors by residing in the same household or residence as the Class I Member, being related by bloodline to the Class I Member, having direct family ties to the Class I Member, or residing at the same address as the Class I Member.

Individuals may become a Life Member by proper application and a non-refundable contribution of US \$300 to CMU. Once accepted as a Life Member, no further annual fees are required.

Each paid Life Membership, for those who are descendants of or married to the MacTavish family or its septs and associated family names, shall have one vote per paid membership application. Class II Members may nominate Directors for election, participate in committees and serve as Chair, hold office, serve on the Board of Directors or, if approved, be appointed to an Advisory Board of Directors.

Each paid Life Membership, for those who are not descendants or are not married to the MacTavish family or its septs and associated family names, shall have one vote per paid membership application. Class III Members may nominate Directors for election, participate in committees and serve as Chair, hold office, serve on the Board of Directors or, if approved, be appointed to an Advisory Board of Directors.

No individual may hold more than one paid membership.

21) HONORY MEMBERSHIP

The Chief, President and the Board of Directors may reward individuals who are not members of the organization for their contributions to Scotland, Scottish Heritage, Scottish organizations or CMU itself by making such non-members Honorary Members. Such persons shall be presented with appropriate evidence of such membership. Honorary Members are non-voting members and may not nominate Directors for election, hold office or serve on the Board of Directors. If approved, they may be appointed to an Advisory Board of Directors and participate as non-voting committee members but not serve as Chair.

22) MEMBER BENEFITS AND PRIVILEGES

All Members of CMU shall periodically receive the Clan Newsletter "NON OBLITUS". They shall have access to all Clan MacTavish Family publications, fellowship where the Clan is represented at Scottish and Celtic Festivals and Games, Clan MacTavish Gatherings and are eligible for the privilege of becoming a Convener to represent the Clan at said Festivals and Games.

ARTICLE THREE

MEMBER LIABILITY

23) LIABILITY OF MEMBERS

This organization is a nonprofit corporation and is exempt from Federal Income Tax under section 501(c)(3) of the internal Revenue Code, as granted by the Internal Revenue Service of the United States Government in June 1966.

Its members, Directors and Officers shall never be personally liable for the organization's debts. Or obligations.

ARTICLE FOUR CONDUCT OF BUSINESS

24) GENERAL (Revised 2011)

All business of CMU shall be conducted strictly in accordance with its stated purpose as set forth in its Articles of Incorporation, within the laws of the State of Alabama, and as contained within the laws, rules, and regulations of the United States dealing with tax exempt private corporations, as all such exist now or shall exist in the future, to the end that its ruling be preserved. All corporate powers of CMU shall be exercised by or under the authority of, and the business and affairs of CMU shall be managed under the discretion of the Board of Directors. All of the powers and duties conferred or imposed upon a board of directors by the Alabama Nonprofit Corporation Act shall be exercised and performed by the Board. The Board may conduct administrative business, make policy, and do decision-making during the year through the use of e-mail, telephone, web-site forums, and other communicative tools as agreed upon by the board. The verification and ratification of said business will occur at the next Board meeting.

CMU neither recognizes nor accepts voting by proxy.

25) VOTING

All business of CMU requiring a decision by vote of the membership consisting of Class I, Class II, and Class III Members, shall be referred to the eligible voting membership by mail for action. Each referral packet shall contain a description of the matter under question, a resume and/or background history of the matter under question, a ballot and instructions for completing and processing the ballot, including a "not later than" date when the completed ballot must have been received by the Election Committee.

26) QUORUM AND TIE VOTES

Twenty-five percent (25%) of the Class I, Class II and Class III members entitled to vote shall constitute a quorum of the membership. Once a quorum is met, a majority vote total of those ballots received shall establish the decision of the membership. In the event of a tie vote of the mail ballots received, the issue is automatically disapproved. In all cases, the scrutinizer's records will show (1) the number of valid mail ballots received; (2) the mail vote totals for and against the issue; and the final resulting action to the proposal, whether approved or disapproved. A copy of the mail ballots shall be retained and made available for inspection for a period of three (3) years from the date of the mail vote. In addition, the original documents will be submitted to Clan MacTavish, Inc. for permanent storage.

ARTICLE FIVE

BOARD STRUCTURE AND ELECTIONS

27) DIRECTORS (Revised 2011)

The affairs of CMU shall be managed by a Board of Directors of eleven (11) Directors, one (1) of whom is the Chief, two (2) appointed by the Chief and eight (8) of whom are elected. No directors are to reside in the same household or residence nor can be related by marriage or bloodline or have any other direct family ties to any person currently serving on the Board or seeking election to the Board. For purposes hereof, "household" shall be defined as persons residing at the same address. No individual may seek election to more than one office or director position on the CMU Board of Directors in any given election.

Each Director, other than the Chief, shall be a Class II or Class III Member of at least twenty-one (21) years of age and shall not be an undischarged bankrupt, mentally incompetent person, or person convicted under Title 13 of the Code of Alabama, or similar federal laws or state laws in other jurisdictions, as amended or reenacted from time to time.

A quorum shall consist of seven (7) Board members of which at least one (1) must always be a Chief's Representative.

If no quorum of Directors exists because of vacancies on the Board, the remaining Directors, of which at least one (1) must always be a Chief's Representative, shall fill the vacancy by appointing a qualified Member by a majority vote of the remaining Board members of the Board. There shall always be two

(2) Chief's Representatives on the Board. The person elected by the majority of the remaining Directors shall hold office for the unexpired portion of the term related to such vacancy. Should the vacancy be the Treasurer office, a special election called for that purpose shall be held within four (4) months of the vacancy to fill the position.

Any vacancy in the Board occurring by reason of the resignation, removal, disqualification, incapacity, or death of a director shall be filled by a majority vote of the remaining members of the Board, of which at least one (1) voting member must always be a Chief's Representative. There shall always be two (2) Chief's Representatives on the board. The person elected to fill such vacancy shall hold office for the unexpired portion of the term related to such vacancy. Should the vacancy be the Treasurer office, a special election called for that purpose shall be held within four (4) months of the vacancy to fill the position.

The number of Directors may be changed by the Board only at the Annual Business Meeting of the Board and only by a unanimous vote. Such change will be effective for the next election of Directors. These Directors will be selected by the voting membership of CMU and shall hold office until their successors are duly elected and qualified, unless sooner removed for cause by vote of the remaining Directors. Additionally, the Class I Member shall be considered a permanent member of the Board of Directors, without vote or election, and shall not be counted against the said number of Directors. There shall always be two (2) Chief's Representatives on the Board.

The Board, by a vote of two-thirds (2/3) of all other Board members, or the majority vote of the voting Members, as outlined in Section 25 at a special vote called for that purpose, may remove from office a Director, Officer, or member of any committee, other than the Chief of Clan MacTavish and the Chief's Representatives, who has not attended at least three (3) consecutive Board meetings without just cause or who has not performed his duties or who has acted in conduct unbecoming a Director of CMU.

Any Director may resign at any time upon written notice to CMU addressed to it at its principal office to the attention of its President or Secretary. Any resignation shall become effective at the time or upon the happening of the condition, if any, specified therein, or, if no such condition or time is specified, upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Except for the Class I member and his Representatives, the Directors are elected for a three-year (3) term of office. Directors may be re-elected consecutively to the same position for a maximum of one (1) additional three-year (3) term. Upon completion of the second (2nd) term or a total length of service of six (6) consecutive years in a position, the Director shall vacate his position on the Board of Directors and will not be eligible for consideration for re-election or appointment to the offices of Vice President or President until a minimum period of two (2) years after vacating the position of President. For the first election. Three (3) members will be elected for three (3) years (the President, Treasurer and

Secretary), three (3) members will be elected for two (2) years (the Vice President, Membership Secretary and National Commissioner), and two (2) members for one (1) year (the At-Large Directors).

28) OFFICERS (Revised 2011)

a) THE OFFICERS

The Officers of the CMU shall be President, Vice President, Secretary and Treasurer. All Officers must be elected Directors of CMU. The Chief of Clan MacTavish shall be Honorary President of the Board. The Board of Directors may provide for such other officers as it shall deem necessary, and the Board of Directors may provide for a non-voting Advisory Board of Directors, subject to the Chief's prior written approval of the Advisory Board and each participant. All Board of Directors and Advisory Board of Directors must sign annual conflict of interest agreements, as set forth in Article VII below.

b) TERM OF OFFICE

The term of office for officers shall be coterminous with the officer's Director term. The term of office for Directors begins on 1 January of the year following their election and ends on 31 December three years later or earlier resignation, removal, disqualification, incapacity or death. The President, Vice President, Treasurer and Secretary will be elected by a majority vote of the voting membership for a term of three years; providing, however, for the purposes of the initial election, the officers will have the terms set forth in Article Five. The incumbent President, Vice President, Treasurer and Secretary may be elected by a majority vote of the voting membership for a maximum of one additional three-year term for a total length of office of six (6) years. An outgoing Officer, who continues to serve on the Board of Directors, may not be considered for reelection or appointment in the same office until a minimum period of six (6) months has elapsed since vacating that office unless the office is that of President in which case he will not be eligible for consideration for election or appointment to the office of Vice President or President until a minimum period of two (2) years after vacating the position of President.

c)

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled from among the current Board by a vote of the majority of the Board that includes one (1) Chief's Representative for the unexpired portion of the term related to the vacancy and provided two (2) Chief's Representatives remain on the Board. Should the vacancy be the Treasurer office, a special election called for that purpose shall be held within four (4) months to fill the vacancy.

29) DUTIES OF ELECTED OFFICERS

a) PRESIDENT

It shall be the duty of the President to preside at all meetings of the Board of Directors, oversee all voting on issues by membership ballot and elections, have the general supervision of, and provide general direction to the other officers of CMU in carrying out the policy as established By the Board of Directors and Clan MacTavish, Inc.; and as the Executive Officer of CMU, be responsible for the transaction of all business pertaining to the organization. The President may sign or countersign checks, drafts, or notes pertaining to and concerning the business of the organization.

b) VICE PRESIDENT

It shall be the duty of the Vice President to perform all the duties of the President in the absence or disability of the latter. This officer shall perform other such duties as may be assigned him by the President or the Board of Directors. The Vice President may sign or countersign checks, drafts or notes pertaining to the business of the organization.

c) SECRETARY

The Secretary shall keep all records of the corporation and the minutes of all meetings of the Board of Directors, shall sign and attest in conjunction with the President such instruments that require such signatures and corporate seal, and shall make such reports and perform such other duties as are incident to that office, or as properly required of him by the President or the Board of Directors. The Secretary is the keeper of the corporate seal while in office. The Secretary may sign or countersign checks, drafts or notes pertaining to and concerning the business of the organization. The Secretary is also responsible for submitting to the head office central archival database all documents of minutes, election results and other such information documenting the activities of CMU.

d) TREASURER

The Treasurer shall have custody of all monies and securities of the activities of the organization, keeping the same in such bank or banks or place of deposit as directed by the Board of Directors, and shall keep regular books of account and balance of the same each month. He maintains all business records for the current year, files reports required by state and federal agencies, such reports to include all taxes and fillings required by incorporation. He may sign or counter sign instruments as require the signature of the Treasurer. The Treasurer shall reimburse the Secretary, Newsletter Manager, National Commissioner, Directors and Officers, Committee Chairpersons for reasonable, justified and validated monies spent in the conduct of business for the benefit of the membership. The Treasurer complies with and enforces the Fiscal Policy as stated therein and shall also perform duties incident to the office as are required by the President or the Board of Directors. The Treasurer may not perform any other role other than that of Treasurer.

30) COMMITTEES

The President, or his appointee, shall be a non-voting member of each committee. The Honorary President, or his representative, may, at the Honorary President's sole discretion, participate as a non-voting member of any committee.

Any committee of the Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it thinks fit, provided that a majority of them, exclusive of any non-voting member, shall constitute a quorum.

The Chair of the committee shall only be eligible to vote to create a tie vote or to break a tie vote.

No committee shall have the power to do any of the following:

- (i) Spend any money or enter into any contracts without the authorization of and parameters set by the Board;
- (ii) Amend or restate the Articles of Incorporation;
- (iii) Amend, alter, or repeal the Bylaws;
- (iv) Adopt a plan for the distribution in liquidation of the assets of CMU;
- (v) Effect a dissolution of CMU;
- (vi) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of CMU;
- (vii) Adopt a plan of merger or consolidation;
- (viii) Elect, appoint, or remove any member of any such committee or any director or officer of CMU; or
- (ix) Amend, alter, or repeal any action or resolution of the Board unless by its terms such resolution provides that it may be amended, altered, or repealed by such committee.

31) OPERATIONS

a) MEETINGS

A. Social Meetings of Members

Social meetings of the members of the organization at various times and locations throughout the year are highly encouraged. Through these meetings, the membership of the organization will become better acquainted and more firmly establish the bonds of fraternal friendship and respect.

B. Annual Meetings

The Annual General Meeting of the members shall be held at such place within the United States on a rotational basis and at such date and time as the Board may determine, and in any event, once at least every calendar year and not later than fifteen (15) months after the last preceding Annual General Meeting.

Written notice of the Annual General Meeting shall be given to the members not less than fourteen (14) days prior to the date of the meeting and shall include the date, time and place and general nature of the business to be transacted.

C. Meetings of the Board of Directors

The Board of Directors will meet annually for the purpose of reviewing financial information, evaluating annual performance and setting new goals, approving budgets, reviewing current legislation and implementing policies as needed, the verification and ratification of business conducted by the balloting of members as provided for under Article Four, Section 24, "General". The board of Directors shall also meet periodically throughout the year to receive submissions, interview qualified members and elect such positions as Newsletter Manager, Store Manager (if a store exists), Web Master, Project Specific Fund Raising Manager and other positions as the need arises. Special meeting of the Board of Directors may be called upon fourteen (14) days notice by the President, the Chief, or in writing by two-thirds (2/3) of the Board of Directors upon fourteen (14) days notice, and at such reasonable time and place. At such special meetings, only such matters that are specifically mentioned in the notice for said meetings, should be discussed or decided upon. At such meetings, a quorum shall be seven (7). The quorum must always include at least one (1) of the Chief's Representatives.

b) ELECTIONS

A. Scope

The only elections that require membership participation are those for electing members of the Board of Directors which consist of: President, Vice President, secretary, Treasurer, National Commissioner, Membership Secretary and two (2) Directors-at-Large.

B. Membership Secretary (Revised 2011)

The Membership Secretary will prepare and mail the nomination forms to all eligible Class I, Class II and Class III members; assemble, print and mail the qualified and completed summary biographies of both incumbent and potential Directors to all eligible Class I, Class II and Class III members; and prepare and mail ballots to all eligible Class I, Class II and Class III members.

C. Election Committee

The election for the Board of Directors shall be conducted by a Committee of three (3) to five (5) Members not running in the current election and consist of up to two (2) Chief's Representatives and one (1) Member of the general membership to act as the Election Committee Chairman. The Election Committee Chairperson shall be appointed by the President. The last two (2) members of the Election Committee shall be appointed by the Chairman of the Election Committee.

Under scrutiny of the Chief's Representative(s), the remaining members of the Election Committee will receive, open, count, record and return the ballots to the Secretary, who will hold them for three (3) years and thereafter, submit them to the centralized archival

database where they will be held for an additional three (3) years. The election committee will certify the results of the balloting to the Chief, the President and the Secretary.

D. Nominations (Revised 2011 – first paragraph only)

The period for the nominations for the position(s) of members of the Board of Directors that will become vacant at the end of the current calendar year opens on 15 July and closing 31 July of each year. During this period, the Election Committee will receive written nominations of Class II and Class III Members for election to the Board of Directors by eligible Class I, Class II and Class III Member nominee sponsors.

Blank nomination forms shall be provided to potential candidates by the Election Committee Chairperson. Each nomination shall provide the following required information:

- (i) Full name
- (ii) Any nicknames
- (iii) Spouse's full name
- (iv) Spouse's nicknames
- (v) Mailing address
- (vi) Home telephone number
- (vii) E-mail address
- (viii) Status (i.e. new or incumbent Board Member)
- (ix) Education
- (x) Membership in professional organizations and associations
- (xi) Short resume of Clan MacTavish activities
- (xii) Hobbies, special interests, and other Scottish activities
- (xiii) Particular areas of interest in Clan MacTavish
- (xiv) Outline of what hope to achieve on the Board and how propose accomplishing these goals
- (xv) State whether familiar with Robert's Rules of Order and, if not, that commit to familiarizing oneself within one (1) month of being elected
- (xvi) State whether familiar with reading financial statements and, if not, that commit to participating in training sessions
- (xvii) Commit to signing an annual conflict of interest form, the first one attached to the nomination form
- (xviii) Commit to signing the Director's Code of Ethics.

The nominations must be accompanied by cover letters from the sponsors stating that the nominee is aware of their nomination, has read the job description for the applicable officer, if any, and Board of Directors, and agrees to accept the position if he is elected and to meet all obligations and responsibilities of the position to the best of his ability.

Nominations are to be submitted to the Election Committee Chairman with a copy sent to the board. The Board shall review the nominations to ensure that the nominees meet the published qualifications for such offices. If a nominee does not meet the

minimum published qualifications, the Board shall notify the Elections Committee Chairman, who shall notify the nominee.

E. Balloting

The nomination list will close as of midnight, 31 July. Any nominations received after that time, will be returned unopened, if possible, to the sender with the notification that it arrived after the nominations list had closed. By not later than 10 August, the Membership Secretary will have prepared ballot packages containing:

- (i) The nomination from each nominee and a brief (not to exceed one double-sided page) personal history containing the required information outlined above
- (ii) A ballot form providing voting instructions. Each General Member shall be mailed the ballot package by first class mail by 10 August. The ballot envelope shall be clearly marked "Ballot". The cut-off date for return of ballots is midnight of the 30th day after the mailing. Any ballot received after that time will be held unopened and shall not be used in the tally of votes. Within seven (7) days after the cut-off date, the votes shall be tallied and the nominees who received the largest number of votes shall be declared as elected to the Board of Directors for the ensuing term. The Secretary shall notify all Director Nominees of the results.

F. Notification of Membership

When the composition of the new Board of Directors and slate of Officers is determined, the General Membership will be advised within one (1) week by a posting in the Members Only section of CMU and Clan MacTavish, Inc. web-sites. The names of the elected Board Members and Officers shall also appear in the next newsletter.

c) APPOINTMENTS

The President may establish an Advisory Board with the prior approval of the Chief. The President must also obtain the Chief's approval for each Advisory Board member. The Advisory Board members will have no vote and will serve at the pleasure of the President. The President shall also appoint the Chairman of the Election Committee, Representatives to the Advisory Board of Clan MacTavish, Inc. and Board member of the Audit Committee.

The National Commissioner will appoint Regional Commissioners and approve all State Commissioners appointed by the Regional Commissioners. All Regional and State Commissioners must be members in good standing.

ARTICLE SIX

FINANCIAL STRUCTURE

32) The goal of the organization is to sustain Clan MacTavish USA, Inc. by maintaining a financial structure through an active program of membership recruitment, individual donations, and endowments that will underwrite operating expenses, provide for investment, and reassure achieving the purposes and missions of both CMU and its associated company Clan MacTavish, Inc., provided the purposes and missions of Clan MacTavish, Inc. are consistent with the requirements of, and no investments or expenditures are made that would be inconsistent with CMU's status as a tax-exempt organization under the provisions of Section 501 (c)(3) of the Internal Revenue code of 1986, as amended, or the corresponding provisions of any subsequent federal tax law, and its regulations as they now exist or as they may hereafter be amended.

a) INCOME

The source of income of the corporation will come from contributions made for membership, donations, endowments, and the sale of Clan MacTavish and Scottish genealogical materials. CMU shall never issue certificates for shares of stock.

b) BUDGET

In accordance with the fiscal policy, annual budgets shall be prepared by various Directors and Officers for their various functions and given to the President who will compile and submit a comprehensive budget to the Board for the ensuing year. If there is a shortfall of income as relates to proposed expenditures, then a report will accompany the budget with an explanation of where and how additional income required will be generated. All budgets will require Board approval before their annual funding. Every three (3) years, at the completion of a Treasurer's term, the Board will review and evaluate the performance over the period and implement change where necessary.

c) TRUST AND INVESTMENT FUNDS

Within the terms of the rules and regulations of the Internal Revenue Service, and within the terms of the Alabama Nonprofit Corporation Act, the Board of Directors shall develop a policy for establishing trust and investment funds to ensure the funds of CMU are preserved, invested such that the expenditures of CMU are paid out of that income to the greatest extent possible, and have full accountability. Funds from the trust income are available for such matters as scholarships, printing of genealogical materials such as CMU has made available for purchase, and improvement of historical sites and monuments and like expenditures. Expenditures from programs, trophies, games and gatherings, particularly where it may be likely that individual officials of CMU could personally benefit more than CMU itself, shall be minimized or eliminated if inconsistent with maintaining CMU's status as a 501(c)(3) entity under the Internal Revenue Code of 1986, as amended and regulations promulgated from time to time thereunder. At no time shall any member of CMU hold corporation funds in any personal account. All funds shall remain in the ownership of CMU. A full financial report shall be made to the Board and the full membership annually with a copy to Clan MacTavish, Inc. This report may be provided in the "NON OBLITUS" or posted on the CMU website.

d) DISBURSEMENT OF FUNDS

The Treasurer has the authority to sign checks, drafts or notes as described in Article Five, Section 29 d. However, the President shall approve checks, drafts and notes and expenditures exceeding US \$500. Expenditures exceeding US \$1,000 shall require approval by a majority of the Board of Directors, one of whom must be a Chief's Representative, plus the signature of two (2) elected Officers.

e) **AUDITS/FINANCIAL REVIEWS**

Annual audits/financial reviews may be conducted by CMU internally by the Board, the Audit Committee, and/or externally by Clan MacTavish, Inc. and/or its representative auditor, especially upon changes in the office of Treasurer. To this end, proper formal audits and bonds may be required. Formal audits shall be conducted by a qualified, independent auditor whose function will be to review and audit the books. Upon completion, he will meet with the internal audit committee and the Board. The auditor is to identify areas that he sees as potential problems or opportunities for fraud or where real fraud is taking place. Any issues cited are to be rectified immediately and improvements documented.

ARTICLE SEVEN

CONFLICTS OF INTEREST

33) Purpose

It is the policy of CMU that all persons who exercise substantial influence over the affairs of CMU should be free from the influence of conflicting interests when they act on behalf of CMU, and that they should act solely in the best interest of CMU, without regard to personal considerations.

This Article Seven provides procedures to be observed when CMU is contemplating entering into a transaction or arrangement that might benefit the private interest of a person who exercises substantial influence over the affairs of CMU, to require the reporting of such private benefits, to address the making of compensation determinations and the receipt of gifts, and to require annual statements of compliance with this Article Seven. This Article Seven is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable corporations, including Section 4958 of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any subsequent federal law, and the regulations promulgated thereunder, as they now exist or may hereafter be promulgated or amended (collectively, the "Code").

34) Definitions

- (a) A "Conflict of Interest" exists where CMU has, or is contemplating entering into, a transaction or arrangement, including a Compensation Arrangement, with an interested Person or a Related Person.
- (b) "Compensation Arrangement" includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

- (c) “Interested Person” includes the Officers and Directors of CMU, any other person who, based on all facts and circumstances, is in a position to exercise substantial influence over the affairs of CMU, and any person who have been in such a position within the last five (5) years.
- (d) “Related Person” means, with respect to an Interested Person: (i) his or her spouse, siblings, ancestors, descendants, and the spouses of descendants; and (ii) a corporation, partnership, trust, or estate in which the Interested Person or any person or persons described in (i), or both or all of them, own an investment or beneficial interest.

35) Disclosure of a Conflict of Interest

An Interested Person shall disclose any Conflict of Interest of the Interested Person to the Board or a committee authorized by the Board to consider the proposed transaction or arrangement (either, the “Authorized Body”). Disclosure of the Conflict of Interest, including all material facts, shall be accompanied by written or oral notice delivered to the Authorized Body at a meeting of the Authorized Body. Thereafter, the Interested Person shall leave the meeting.

36) Actions for Addressed Conflicts of Interest

With respect to any Conflict of Interest disclosed to or identified by the Authorized Body pursuant to this Article Seven, the Authorized Body shall take the following action:

- (a) The Chairman of the Authorized Body shall, if appropriate, appoint a disinterested person or committee to investigate a reasonable alternative to the transaction or arrangement creating the Conflict of Interest;
- (b) After exercising due diligence, the Authorized Body shall determine whether CMU can secure, with reasonable efforts, a more advantageous transaction or arrangement such that no Conflict of Interest is present; and
- (c) If a more advantageous transaction or arrangement cannot be secured without creating a Conflict of Interest, the Authorized Body shall determine whether the transaction or arrangement creating the Conflict of Interest is fair and reasonable to CMU, in its best interest, and for its own benefit. In conformity with the above determination, CMU shall make its decision as to whether to enter into or continue the transaction or arrangement.

All decisions of the Authorized Body shall be taken by a majority vote of the disinterested members of the Authorized Body. No transaction or arrangement between CMU and an Interested Person or a Related Person shall be either void or voidable solely because of a Conflict of Interest, if the Conflict of Interest is disclosed to the Authorized Body, and the underlying transaction or arrangement is found to be fair and reasonable to CMU and in the best interest of CMU, in accordance with this Article Seven.

37) Records of Proceedings

With respect to proceedings required by this Article Seven, the minutes of meetings of the Authorized Body shall contain:

- (a) The names of the Interested Persons who disclosed or otherwise were found to have a Conflict of Interest;
- (b) The nature of the Conflict of Interest;
- (c) Any action taken to determine whether the underlying transaction or arrangement was or would be fair and reasonable to CMU and in its best interest;
- (d) The determination of the Authorized Body as to whether the underlying transaction or arrangement in fact was or would be in the best interest of CMU; and
- (e) The names of the persons who were present for discussions and votes relating to the underlying transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

38) Compensation

A director who receives compensation, directly or indirectly, from CMU is precluded from voting on matters pertaining to that person's compensation.

39) Annual Statements

Interested Persons shall be identified by the Board each year at the annual meeting of the Board. Thereafter, each Interested Person and each Director on an annual basis shall complete and affirm a statement, in the form of Exhibit A attached hereto, that such person: (a) has received a copy of this Article Seven; (b) has read and understands this Article Seven; (c) has agreed to comply with this Article Seven; and (d) understands CMU is a charitable organization and that, in order to maintain its tax-exempt status, CMU must engage primarily in activities which accomplish one or more of its charitable purposes. Originals will be held by the Secretary for a minimum of three (3) years. Copies will also be filed with Clan MacTavish, Inc. for permanent storage.

40) Periodic Reviews

To ensure CMU operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted as requested by the Board from time to time. Any periodic review requested by the Board shall be conducted at or in conjunction with an annual meeting of the Board, and shall address the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and
- (b) Whether partnerships, joint ventures, and arrangements with management organizations in which CMU participates, conform to CMU's written policies, are properly recorded, reflect reasonable investments or payments for goods and services, further charitable purposes, and do not result in any inurement, impermissible private benefit or any excess benefit transaction.

When conducting the periodic reviews provided for in this Section 40, CMU may, but need not, use outside advisors. Use of outside experts shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE EIGHT

INTERNAL COMPLAINTS

41) Internal Complaints

CMU Whistleblower Protection practice and policy is to comply with the Public Company Accounting Reform and Investor Protection Act of 2002 (Sarbanes-Oxley). Any member who reports waste, fraud or abuse will not be retaliated against for making a report in accordance with the Internal Complaints Policy.

ARTICLE NINE

RECORDS DISPOSITION

42) Disposing of Records

The History of CMU shall be preserved. CMU administrative records relating to the Board of Directors election process shall be retained for three (3) years by the Secretary and be made available for access by the Board and membership. CMU business, historical research, genealogical information, financial, policy, committee, and meeting records shall be assembled at the end of each calendar year for storage at Clan MacTavish, Inc. The original, signed documents of these records shall be delivered to Clan MacTavish, Inc. for permanent storage and historical reference.

ARTICLE TEN

SEAL

43) The corporate seal of CMU shall consist of two concentric circles, between the edges of which shall be engraved the words: "Clan MacTavish USA, Inc.", and across the center thereof the words "Corporate Seal".

ARTICLE ELEVEN

FISCAL YEAR

44) The fiscal year of CMU shall begin on January 1 and shall end on December 31, but may be changed by resolution of the Board.

ARTICLE TWELVE

INVESTMENTS

45) CMU shall have the right to retain all or any part of any securities or property acquired by it in any manner whatsoever and to invest and reinvest any funds held by it, according to the judgment of the Board without regard to restrictions which a Director is or may be permitted to impose on a class of investments; provided, however, that no action shall be taken by or on behalf of CMU if such is a prohibited transaction or would result in the denial or loss of status as a tax-exempt organization under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any subsequent federal tax law, and its regulations as they now exist or as they may hereafter be amended.

ARTICLE THIRTEEN

IMMUNITY

46) Statutory Immunity for Officers

Pursuant to Section 10-11-1, *et seq.*, Code of Alabama (1975), each non-compensated Officer and member of a governing body of CMU shall be immune from suit and not subject to civil liability arising from the conduct of the affairs of CMU except as follows: (a) his act or omission gives rise to a cause of action and amounts to willful or wanton misconduct or fraud, or gross negligence; (b) the civil action is brought by CMU; (c) the cause of action relates to a personal injury to, or death of, another person or property damage arising from an accident inflicted by the Officer or Director acting within the line and scope of his or her duties; or (d) an action is brought by the Department of Examiners of Public Accounts.

47) Statutory Immunity for Volunteers

Pursuant to Section 6-5-336, Code of Alabama, (1975), all volunteers shall be immune from civil liability on the basis of any omission of such volunteer resulting in damage or injury if both (a) the volunteer was acting in good faith and within the scope of such volunteer's official functions and duties for CMU, and (b) the damage or injury was not caused by willful or wanton misconduct by such volunteer. For purposes of this Section 47, the term "volunteer" shall include all persons performing services for CMU without compensation (other than reimbursement for actual expenses incurred), and such term shall include any such person serving as a Director, Officer, trustee, or direct service volunteer.

ARTICLE FOURTEEN

LIQUIDATION OR DISSOLUTION

48) Liquidation or Dissolution

The withdrawal of the Class I member shall cause the dissolution of CMU. Upon any dissolution of Clan MacTavish USA, Inc., the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of CMU, dispose of all of the assets of CMU exclusively for the purposes of Clan MacTavish USA Inc. in such manner or to such organization or organizations organized and operated exclusively for charitable, educational, religious, literary, or scientific purposes as shall at the time qualify as such under Sections 501(c)(3) and 170(c)(2) of the Code, or the corresponding provision of any subsequent federal tax law, as the Board of Directors shall determine.

ARTICLE FIFTEEN

BYLAWS AMENDMENT

49) Bylaws

Thenceforth, these Bylaws may be amended by a two-thirds (2/3) majority of a quorum of seven (7) Board members, at least one (1) of whom must be a Chief's Representative, at a meeting duly convened after notice for such purpose. Voting shall be done in accordance with the voting procedures contained in Article Five, Section 27. All changes to these Bylaws both before they are changed and after, shall be provided to all members on the CMU website, the next newsletter and summarized in the next Annual General Meeting.

EXHIBIT A

ANNUAL DISCLOSURE STATEMENT

I, _____, hereby certify the following:

1. I have received a copy of the Conflicts of Interest Policy included in Article Seven of the Bylaws of Clan MacTavish USA, Inc. (the "policy");
2. I have read the Policy;
3. I understand the Policy;
4. I agree to comply with the Policy; and
5. I have previously disclosed any conflicts of interest in accordance with the Policy.

Dated _____, _____, _____.

By: _____

Name: _____

Title: _____