

**ARTICLES OF INCORPORATION
OF
CATHOLIC FINANCIAL LIFE**
(As Amended Effective September 29, 2012)

ARTICLE I
Name

The name of this fraternal benefit Society shall be Catholic Financial Life (hereinafter the “Society”).

ARTICLE II
Location

The location of the principal or home office of the society shall be in the City of Milwaukee, Wisconsin.

ARTICLE III
Purposes

The objects and purposes of this fraternal benefit Society, which exists solely for the benefit of the members of the Society, and their beneficiaries, shall be:

1. To unite its members fraternally for social, religious, benevolent and intellectual improvement, in accordance with the Bylaws of this Society;
2. To provide assistance to its members;
3. To engage in the insurance business and in any other business reasonably incidental to the insurance business and to form or acquire subsidiaries to the extent permissible under Wisconsin law;
4. To engage in any lawful social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic or religious activity for the benefit of the members of this Society or the public as the Board of Directors may determine.

ARTICLE IV
Members

The classes of members and their respective qualifications and rights are as follows:

1. Qualifications of Members. A member is an individual who meets the Catholic Affiliation Requirement and any other qualification requirement that the Board of Directors may establish and who has had his or her membership application accepted. The Catholic Affiliation Requirement is satisfied if the individual is included in at least one of these categories: (a) a Catholic, in accordance with eligibility rules as determined by the Board of Directors; (b) a spouse, child or grandchild of a Catholic; (c) an employee of the Society or its subsidiaries or affiliates; (d) an employee of a Catholic institution; or (e) an individual who otherwise qualifies for membership, as determined by the Board of Directors. For purposes of clause (b), the terms “child” and “grandchild” include those who become so by blood or by a legal adoption while under age eighteen or by a step relationship that begins under age eighteen.

2. Rights of Members. Members who are at least sixteen years old have these rights and benefits:

(A) To have the opportunity to benefit from the insurance, financial and investment products and services produced by the Society and its subsidiaries;

(B) To participate in the social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic and religious activities of the Society and its local entities as defined in the Bylaws (“Local Entities”);

(C) To vote for delegates to the Triennial Council and to vote and participate in Local Entity affairs including serving as a Local Entity officer other than one of the principal Local Entity officers;

(D) The Board of Directors may grant additional benefits and rights to various members based on the extent of their contribution to carrying out the purposes of the Society.

3. Members Under Sixteen. The Board of Directors shall establish rules and regulations for the conduct of all matters relating to members under the age of sixteen. Such members shall receive such benefits of membership as determined by the Board of Directors.

ARTICLE V
Representative Form of Government

The Supreme Governing Body of this Society shall be known as the Triennial Council (the "Council"). The Council shall have the power to make and adopt Bylaws for the government and management of the Society. The Council shall meet at least once every three (3) years and shall elect a Board of Directors to conduct the business of the Society between meetings of the Council. The number of directors and the method of election shall be as set forth in the Bylaws.

The Council shall be comprised of the Board of Directors, President, Secretary and delegates elected by the Local Entities on a basis that ensures equal weight to the vote of each member who is entitled to vote at Local Entity meetings in accordance with the procedure set forth in the Bylaws. A majority of the total Local Entity delegates specified by the Bylaws for a Council meeting, shall constitute a quorum at any meeting of the Council. The act of a majority of the votes cast at a meeting at which a quorum is present shall be the act of the Council, unless the act of a greater number is required by law, these Articles of Incorporation or the Bylaws.

ARTICLE VI
Local Entities

The method of formation and powers of the Local Entities shall be as provided in the Bylaws of this Society.

ARTICLE VII
Amendments

Any amendments to these Articles of Incorporation shall require approval from not less than two-thirds (2/3) of the votes cast by the delegates at a regular or special meeting of the Council at which a quorum is present or by ballot sent to all delegates in lieu of a special meeting. Proposed amendments to these Articles of Incorporation to be considered at a regular meeting of the Council shall be submitted to the Judiciary Committee not less than one hundred twenty (120) days prior to the regular meeting of the Council and amendments to these Articles of Incorporation to be considered by a special meeting of the Council or ballot in lieu of a special meeting shall follow the procedures related to special meetings and ballots in lieu of special meetings as specified in the Bylaws. Notwithstanding, the Board of Directors between meetings of the Council may with the approval from not less than three-fourths (3/4) of the full Board take action to amend Article I of these Articles of Incorporation as to the legal name of the Society.

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**BYLAWS
OF
CATHOLIC FINANCIAL LIFE**
(As Amended Effective March 14, 2017)

CHAPTER I
Council

SECTION 1. Supreme Governing Body. The Supreme Governing Body of Catholic Financial Life (the "Society") is the Triennial Council ("Council"), which shall elect directors to serve on a Board of Directors (the "Board") to govern the affairs of the Society between meetings of the Council.

SECTION 2. Regular Meetings.

(a) Schedule. The regular meeting of the Council shall be held at least once every three (3) years between September 1 and November 30 on such date and at such time as the Board shall determine. Notice of the date and place of said meeting shall be mailed to the principal officers of each chapter by January 1 of the year of the regular meeting of the Council.

(b) Chapter Elected Delegates. At each regular meeting, the Council includes delegates chosen as follows:

(1) Delegate Representation. At each regular meeting of the Council, the number of delegates that each active chapter shall have is determined by a general rule that is subject to a minimum and a maximum, as follows:

(a) Apply the general rule that there is one delegate for every 300 members who have the right to vote at chapter meetings, plus one delegate for a fraction of more than one-half (1/2);

(b) If the general rule yields fewer than two (2) delegates, the chapter will have two (2) delegates;

(c) If the general rule yields more than 10 delegates, the chapter will have 10 delegates.

(2) Election Procedure. The chapter president and chapter secretary serving at the time of election of delegates to the Council shall automatically serve as delegates unless he or she is ineligible or declines. Between January 1 and April 15 of the year of the regular meeting of the Council, each active chapter shall elect (a) any additional delegates needed so that the chapter will have the number of delegates to which it is entitled and (b) alternate delegates equal to the total number of delegates to which it is entitled. The names of such delegates and alternates shall be certified by the chapter officers to the Home Office not more than 10 days after the chapter elects delegates and/or alternates. The terms "delegate" and "alternate" refer only to those who have been so certified. Alternates shall act only in the case of the death, absence or disability of a delegate, and such an alternate is then included in the term "delegate" herein. Members of any chapter

that does not have a delegate to the Council may contact any member of the Board to express their views as to matters before the Council.

(3) Delegate Qualifications. No person may be elected a delegate or alternate of a chapter unless such person is a Catholic member who owns or participates in a financial service or product as determined by the Board and has been a member of said chapter for at least one (1) year, except that this time requirement is waived in the instance of newly-created or reactivated chapters. In addition, such individual must have been actively involved in chapter activities as determined by the chapter officers. A person in any of the following categories may not be elected as a delegate or alternate for any chapter: (1) full-time or part-time sales representatives of the Society; (2) employees (including corporate officers) of the Society or any of its subsidiaries; (3) members of the Board of the Society or any of its subsidiaries; and (4) spouses of members of the Board of the Society.

(4) Degree of Honor Delegates. In accordance with the Agreement of Merger between the Society and Degree of Honor Protective Association ("DOH"), and notwithstanding any provision to the contrary in this section 2(b) or any other section of these Bylaws, the delegates of the Triennial Council representing chapters that were DOH Service Clubs or Lodges prior to the effective date of the Merger ("DOH chapters") shall be the members of the DOH Advisory Committee. Following the 2018 Triennial Council meeting, delegates representing DOH chapters shall be elected in accordance with the rules and procedures applicable to the other chapters of the Society as provided in these Bylaws, except that the requirement in section (2)(b)(3) that such person be a Catholic member shall not apply to delegates of DOH chapters.

(c) Officer and Director Delegates. The members of the Board, the President, and the Secretary of the Society shall also serve as delegates to the Council.

(d) Conduct of Meeting. The President shall recommend and the Board shall appoint a meeting Chair. The Board may by resolution adopt such rules and regulations for the conduct of the meeting as it shall deem appropriate. In general, the Chair shall conduct such meetings in accordance with such rules and regulations or, in the absence thereof, in accordance with accepted and common practice and in a manner so that all delegates are treated with fairness and in good faith. Except as provided in rules and regulations adopted by the Board, only delegates and officers of the Society are eligible to speak and address the delegates in attendance at Council meetings with respect to issues before the Council.

(e) Reimbursement of Expenses. The Council shall determine the payment and/or reimbursement of transportation and other expenses of delegates and other invited attendees.

SECTION 3. Special Meetings.

(a) Call for Special Meeting. Special meetings of the Council may be called either by the Board or by the filing in the Home Office of the Society of a written petition signed by 50 percent (50%) of the delegates of the preceding regular meeting of the Council. Within 60 days, the President shall convene a special meeting of the Council. Notice of the time and place of said

meeting shall be mailed to the principal officers of each chapter and to each delegate of the preceding regular meeting of the Council at least 20 days before the date fixed therefor.

(b) Delegates for Special Meetings. The delegates and alternates of the last regular meeting of the Council shall also serve as delegates and alternates at special meetings of the Council. In case of the death or the inability or unwillingness to serve of any such delegate, his or her alternate shall serve or, if the alternate is deceased, unwilling or unable, the chapter shall fill the vacancy by electing some other eligible member of the chapter. Such election shall be immediately certified by the chapter to the Secretary of the Society.

(c) Ballot In Lieu of Special Meeting. In lieu of convening a special meeting of the Council, the Board may send a written ballot to all the delegates described in section 3(b). The ballot may include one or more resolutions that could be considered and adopted at a special meeting of the Council. A resolution shall be deemed adopted upon receipt of valid ballots equal in number to the number of votes that would have been needed to adopt the resolution at a regular meeting of the Council. Any reference in the Articles of Incorporation or these Bylaws to a special meeting of the Council refers as well to a ballot in lieu of a special meeting. "Written ballot" includes a ballot transmitted or received by electronic means.

(d) Procedure for Special Meeting and Ballot in Lieu of Special Meeting. Section 6 (Committees to the Council) shall not apply to a special meeting nor to a ballot in lieu of a special meeting. Rather, the Board may establish procedures, committees and deadlines that are reasonable in light of the issues to be addressed and the situation leading to the call of a special meeting or a ballot in lieu of a special meeting.

SECTION 4. Elections of Directors at Council Regular Meetings.

(a) Elections. The election of the elected directors shall take place at the regular meeting of the Council. Votes may be cast only for those applicants whom the Nominating Committee certifies as having met the following Eligibility Requirements. Such certified applicants are referred to herein as "candidates."

(b) Eligibility Requirements. To be a candidate for election as a director, an applicant must:

- (1) Submit his or her request to be certified as a candidate by March 31 of the year of the regular meeting of the Council;
- (2) Own and have continuously owned or participated in a financial service or product as determined by the Board for at least two (2) years prior to the Council meeting;
- (3) Be in good standing as determined by the Board;
- (4) Certify that he or she is a member of a Catholic parish;
- (5) Submit certification(s) by one or more principal chapter officers or Society officers that the person attended at least six (6) chapter or Society fraternal functions since the last regular meeting of the Council;

(6) Not be a former agent or employee whose service was terminated by the Society since the last regular meeting of the Council;

(7) Not be an agent or employee of the Society;

(8) Not be age 75 or older when his or her term would begin, and

(9) Comply with all rules and regulations that the Nominating Committee establishes.

(c) Desired Attributes. The Board may suggest certain desired attributes of Board members based on the needs of the Society and the Board. These may include, for example, demonstrated sound judgment, prior board or other leadership experience, personality conducive to working in a group and to challenging management, business experience, fraternal experience, ethical values, ability and willingness to commit the required time and energy, and any specific expertise or qualities needed by the Board. Though these suggested attributes are not part of the Eligibility Requirements, they will be made available to all interested members.

(d) Method of Election. Directors shall be elected by a plurality of the votes cast by the delegates on a single ballot at the regular meeting of the Council at which a quorum is present; i.e., the candidates with the largest number of votes in favor of their election are elected as directors up to the maximum number of directors to be chosen in the election. In the event two (2) or more candidates tie for the last vacancy to be filled, there shall be a run-off vote for the candidates receiving the tie vote, with the candidate receiving a plurality of the votes cast in the run-off vote being elected. Delegates may cast only one vote per candidate; cumulative voting shall not be permitted. Candidates' names shall be randomly listed on the ballot. No nominations from the floor will be accepted, and no person will be included in the vote who has not complied with subsection 4(b) above.

SECTION 5. Director Compensation. The Council shall set compensation for the Board, excluding the positions of President and Secretary, which reasonably reflects industry standards and the Board's fiduciary and legal responsibilities. This section does not abrogate the authority of the Board to fix compensation for services rendered to the Society by any persons serving on committees of the Board or to prevent payment to any persons for special service rendered to the Society by authority of the Board.

CHAPTER II

Committees to the Council

SECTION 6. Committees to the Council. All Council committees shall consist of delegates to the Council. The Board, the President, and the Fraternal Leaders Advisory Group shall each appoint one-third (1/3) of the members of each Council Committee. If the Bylaws do not specify the number of delegates on a committee, the President shall set the number, except that the Council shall set the number of members of a committee that it establishes.

(a) Credentials Committee. The Credentials Committee examines and passes upon the credentials of the delegates.

(b) Nominating Committee.

(1) The Nominating Committee consists of nine (9) delegates, other than candidates for election.

(2) The Committee's objectives are (a) to ensure that only persons who meet the Eligibility Requirements set forth in section 4(b) are presented to the delegates for election and (b) to assist the delegates in electing directors who are best able to guide the Society in achieving its business and fraternal missions.

(3) The Committee obtains and reviews all information needed to determine whether an applicant satisfies the Eligibility Requirements, certifies to the Council all applicants who do so, and provides the Council with a summary of pertinent information about each of the certified applicants. All such certified applicants are candidates who are entitled to appear on the election ballot unless disqualified pursuant to subsection (5) below.

(4) The Committee shall review and consider each candidate's qualifications relative to any desired attributes that the Board suggests pursuant to Section 4(c). To help in this process, the Committee may interview each candidate and seek any additional information it needs to evaluate candidates. The Committee shall recommend to the Council the election of those candidates who the Committee believes are the best suited to meet the current needs of the Society.

(5) The Committee may adopt rules and regulations for the election process and for setting standards for the appropriate conduct of candidates (including the content and distribution of literature) prior to and at the Council meeting. The Committee may disqualify any candidate who does not comply with such rules and regulations and may take his/her name off of any ballot.

(c) Judiciary Committee. The Committee shall receive reports of all proposed amendments relating to the Articles of Incorporation and Bylaws of the Society and such other subjects as may be deemed necessary from time to time. The Committee shall review and consider such proposals and make recommendations to the Council with respect thereto.

(d) Finance Committee. The duty of the Committee shall be to ascertain and report the amount required for the expense of the meeting of the Council and to submit such recommendations and suggestions as the committee deems for the good and welfare of the Society. The Finance Committee shall further recommend to the Council compensation for the Directors, excluding the President and the Secretary, for the ensuing term and the payment and/or reimbursement for transportation and other expenses of delegates and other invited attendees.

(e) Resolution Committee. The Resolution Committee shall review, consider and make recommendations with respect to resolutions submitted by the members for adoption by the Council.

(f) Grievance Committee. The Grievance Committee shall consist of six (6) delegates. The Grievance Committee shall review, consider and make recommendations only with respect to

grievances regarding issues directly affecting the Council. All decisions of the Grievance Committee are final and can only be appealed to the Council. All grievances must be filed with the Grievance Committee within two (2) weeks of their occurrence and at least seven (7) days prior to the start of the Council meeting in order to be considered by the Grievance Committee. If a grievance occurs within seven days of the Council meeting, that grievance may be brought to the chair of the Council for resolution.

(g) Other Committees. The Council or Board may appoint other committees.

(h) Other Powers and Duties. In addition to the responsibilities outlined above, each committee shall have such other powers and responsibilities as may be delegated to it by the Board.

(i) Deadline for Issues Presented to Committees. All issues to be presented to committees for consideration must be filed with the Home Office by May 1 of the year of the regular meeting of the Council, other than those submitted for grievance.

CHAPTER III **Board of Directors**

SECTION 7. Board of Directors. The affairs of the Society shall be governed by its Board between regular meetings of the Council. The Board shall also perform such other duties as prescribed by these Bylaws.

SECTION 8. Number of Directors and Term of Office.

(a) Elected Directors.

(1) Except as provided by subsection (2) below:

(a) The number of the Society's elected directors shall not be fewer than nine (9) nor more than 12;

(b) By January 1 of the calendar year of a regular meeting of the Council, the Board shall set the number, within that range, of the Society's elected directors to be elected by the delegates at that Council; and

(c) The Board may not otherwise change the number of elected directors.

(2) As an exception to the preceding parts of this section 8, in consummating a small merger pursuant to Bylaw section 15, the Board may increase the number of director positions by one (1) and shall appoint the person to fill that added position until the end of the calendar year of the next regular meeting of the Council.

(3) Elected directors include those elected by the Council and those appointed by the Board either to fill a vacancy in an elected director position or to increase the number of directors pursuant to subsection (2) above.

(b) Appointed Directors. Subject to confirmation by the Board, the President shall appoint two (2) directors, only one of whom may be an officer or employee of the Society. Each appointed director shall be a Catholic member with expertise in the business of the Society who owns or participates in a financial service or product as determined by the Board.

(c) Principal Officer Directors. The President and the Secretary of the Society shall also serve as members of the Board.

(d) Voting. Except as otherwise provided herein, all of the foregoing directors have equal voting rights. The Spiritual Director is a non-voting member of the Board and shall not count as a director for purposes of quorums, voting requirements, or any other matter involving voting.

(e) Merger Agreement Requirements. In applying these director provisions, the Society will comply with the Agreement of Merger of Catholic Knights and Catholic Family Life Insurance.

SECTION 9. Terms of Directors.

(a) Terms. Elected directors serve for a term of three (3) years from the first day of January following their election and shall serve until their successors are elected and qualified. Appointed directors serve for one (1) year and may be reappointed.

(b) Term Limits. No elected director may serve more than three (3) consecutive three-year terms or nine (9) consecutive years. If a director is elected to a partial term, that partial term does not count as part of this consecutive-year sequence. A break in service of at least three (3) years restarts the term-limit period.

SECTION 10. Chair of the Board. The Board shall appoint a Chair to serve a term of one year from among its elected directors. No person shall serve as Chair for more than three years. A selection committee consisting of the President and two directors elected by the vote of a majority of the elected directors present at a meeting at which a quorum is present shall annually nominate a director for Chair. Their nomination must then be confirmed by the vote of a majority of the elected directors present at a meeting at which a quorum is present. The Board shall gather feedback from its members and evaluate the Chair's performance at the conclusion of a Chair's tenure, and before any consideration of reappointment by the selection committee. The compensation of the Chair shall be double the standard annual Board member base compensation as established by the Council.

The Chair has a leadership role on the Board and shall call and preside at all meetings of the Board. The Chair shall have the authority to perform such duties as prescribed or delegated by the Board and these bylaws, including advisory and counseling responsibilities, oversight of the Board's activities and responsibilities, and facilitating orderly Board meetings. The Chair shall not assume managerial or executive responsibilities within the Society, usurp or undermine the authority of the President, or assume greater Board voting rights. In the Chair's absence or vacancy, another director temporarily appointed by the Board may preside.

SECTION 11. Meetings.

(a) Regular Meetings. The Board shall meet at least quarterly. The Board may by resolution provide for regular or stated meetings of the Board to be held at a fixed time and place. Such meetings may be held at the stated time and place without further notice.

(b) Special Meetings. Special meetings of the Board may be held at any time and place for any purpose or purposes, unless otherwise prescribed by statute, on call of the President, Chair of the Board, or Secretary, and shall be called by the Secretary on the written request of any five (5) directors. Notice of any special meeting shall be given to each director not less than 24 hours prior to the meeting.

SECTION 12. Quorum and Manner of Acting. A majority of the total number of voting directors in office shall constitute a quorum for the transaction of business at any meeting of the Board. The affirmative vote of a majority of the voting directors present at a meeting at which a quorum is present is the act of the Board unless the Articles of Incorporation, these Bylaws, or applicable law requires the vote of a greater number.

SECTION 13. Vacancy; Removal.

(a) Vacancies. Vacancies in the Board occurring by reason of death, resignation or otherwise shall be filled in a timely manner until the next regular election by the affirmative vote of a majority of the directors then in office, even if less than a quorum. A vacancy in the position of President shall be filled within seven (7) days by the Board meeting and naming an "acting president" who shall continue to fulfill the responsibilities of the President until a successor is appointed by the Board.

(b) Removals. An elected or appointed director may be removed from office for cause by an affirmative vote of two-thirds (2/3) of the full Board at a meeting of the Board called for that purpose. The Board may remove the President or the Secretary from his or her office and thus from the Board at any time, with or without cause, by the vote of two-thirds (2/3) of the total number of elected directors.

SECTION 14. Committees of the Board. The Board may by resolution appoint such committees as it deems necessary to have such authority as the Board may delegate. Each such committee shall be comprised of three (3) or more directors.

SECTION 15. Small Mergers. By the vote of two-thirds (2/3) of the directors present at a meeting at which a quorum is present, the Board may initiate and consummate a merger with a small fraternal benefit society without a separate vote of the Council, provided that this Section of the Bylaws is adopted by a vote of two-thirds (2/3) of the delegates. The term "small fraternal benefit society" means a fraternal benefit society that has either (a) fewer than 10,000 members or (b) less than \$50 million of total assets.

CHAPTER IV

Officers

SECTION 16. Officers.

(a) Principal Officers. The principal officers of the Society, who shall be appointed by the Board, shall be the President, the Secretary, and one or more other officers designated as principal.

(b) Vice Presidents and Other Officers. The President may appoint one (1) or more Vice Presidents and other officers, who serve at the discretion of the President.

SECTION 17. President. The President shall be the principal executive officer of the Society and, subject to the supervision of the Board, shall supervise and control all of the business and affairs of the Society. In general, the President shall perform all duties incident to that office and such other duties as may be prescribed by the Board from time to time.

SECTION 18. Secretary. The Secretary shall maintain an accurate record of the minutes of all regular and special meetings of the Council and of the Board, and shall report to the Board and the Council on any matters as may be requested. In general, the Secretary shall perform all duties incident to that office and such other duties as may be prescribed by the Board.

SECTION 19. Duties. The Other Principal Officers and the Vice Presidents and Other Officers shall perform such duties as are customarily assigned to their respective office and as may be assigned from time to time by the Board or the President, respectively.

SECTION 20. Fidelity Bonds. The Board may require that fidelity bonds be maintained on any society officer, chapter officer, employee or agent in such sum and with such sureties as determined by resolution of the Board.

CHAPTER V

Spiritual Guidance

SECTION 21. Spiritual Director. The President shall appoint a Catholic priest, bishop, archbishop or cardinal to serve as the Society's Spiritual Director. The Spiritual Director shall, upon request by the President or Board, and may, at any time, provide the Society through its President or Board with information or advice based on Catholic teachings or practices. Upon request by the President, the Spiritual Director may preside at Liturgies or other rites at the Council and other events and gatherings of Society members. The Spiritual Director will serve as a non-voting member of the Board of directors, will receive all materials that directors receive, and may attend and participate in any or all Board meetings.

SECTION 22. Chaplains. The President may appoint a Catholic priest to serve as chaplain of any state in which the Society is active. At the state and chapter level, a state chaplain may preside at religious services and provide information or advice based on Catholic teachings or practices. Each chaplain shall have such other duties and privileges as the President shall determine.

CHAPTER VI
Indemnification of Officers and Directors

SECTION 23. Indemnification. The Society shall, to the extent permitted by law, indemnify and hold harmless each officer, director or employee now or hereafter serving the Society, or any other corporation, partnership, joint venture, trust or other entity which said officer, director or employee now or hereafter serves as an officer, director, employee, trustee or agent at the request of the Society.

SECTION 24. Liability Insurance. The Society may maintain insurance on such directors, officers and employees against liability for acts or omissions in the performance of their duties as determined by resolution of the Board.

CHAPTER VII
Membership

SECTION 25. Membership Provisions. The Articles of Incorporation provide for the qualifications, rights and classes of members.

SECTION 26. Application for Membership. An applicant for membership in this Society shall sign an application furnished by the Society, stating such information as the Board shall deem necessary to determine their qualification for membership. Applicants for membership who are applying for an insurance contract shall name a beneficiary who has an insurable interest in the insured at the time the certificate is issued.

SECTION 27. Insurance Contract. A policy issued by the Society, including any riders or endorsements attached to it, the application, and the Articles of Incorporation and Bylaws constitute the entire contract when it is issued. Any subsequent changes to the Articles of Incorporation or Bylaws shall be binding upon the member, beneficiaries, and other persons affected and shall govern and control in all respects, except that no changes shall destroy or diminish benefits promised in the policy when it was issued. However, in the event of unforeseen circumstances that could threaten the Society's financial stability or result in an inequitable treatment for certain members, the Board of Directors may adopt policies and procedures that are reasonably needed to protect the overall interest of the Society's members, including, but not limited to, limiting the amount or frequency of renewal premium deposits that may be made to previously issued contracts. Membership that is based on being an owner, insured, or annuitant shall expire if and when the insurance contract is surrendered or lapses.

SECTION 28. Designation of Beneficiary. An applicant for an insurance contract may designate as beneficiary any person or entity, including the estate of a member or an insured employee, to the extent that the designation is consistent with applicable law. While the insured is alive, the insurance contract owner may change any beneficiary by written notice acceptable to the Society. No change will be binding until it is recorded by the Society at the Home Office. Once recorded, the change will be effective as of the date the notice was signed. The change will not apply to any payment made by the Society before such change has been recorded. The Society may require that the insurance contract be submitted to make each change.

SECTION 29. Expulsion of Members. Any member may be expelled for just cause by a vote of his or her chapter, with the approval of the President of the Society. If the chapter fails to act on expulsion of a

member, the matter may be referred to the President of the Society. If the President determines that there is cause for expulsion, the President shall have the power to expel said member from the membership of the Society, and of said chapter. Provided, however, that no member shall be expelled from the Society without first having had a full and fair opportunity to appear either in person or by agent before the chapter or President of the Society, as the case may be, in his or her defense. Provided further that any expelled member shall be entitled to all of the financial and contractual benefits as provided for in the insurance contracts and under these Bylaws.

SECTION 30. Reinstatement of Membership. Any member who has been expelled or has allowed his or her membership to lapse because of nonpayment of premium may, within 60 days after expulsion or lapse, make application for reinstatement on a form prescribed by the Society. After said 60 days, such member may make application for reinstatement upon such further conditions as determined by the Society.

SECTION 31. Assignment. In such states where permitted by law, assignments of insurance contracts shall be permitted but shall be subject to any claim in favor of this Society and shall not be valid until a copy thereof is filed at the Home Office of the Society. No assignment shall change or deny the elective and social rights of a member.

SECTION 32. Transfer. A member may be transferred from one chapter to another upon his or her own request; however, all members living as a family in a single household must be members of one (1) and the same chapter. New members shall be assigned to the chapter nearest their residence or, if otherwise preferred, the chapter of their choice.

CHAPTER VIII **Maintenance of Solvency**

SECTION 33. Maintenance of Solvency. If the Society's financial position becomes impaired, the Board or the Council may, on an equitable basis, apportion the deficiency among the members, the insured employees or the owners of policies, or any combination thereof. A member, insured employee or policy owner may then either (a) pay his, her or its share of the deficiency or accept the imposition of a lien on the insurance policy, to bear interest at the rate charged on policy loans under the policy, compounded annually until paid, or (b) accept a proportionate reduction in benefits under the policy. The Board or the Council may specify the manner of election and which alternative is to be presumed if no election is made.

CHAPTER IX **Funds and Investments**

SECTION 34. Funds and Investments. The funds of the Society shall be invested in accordance with investment policies adopted by the Board from time to time. Provided, however, that a reasonable amount of the funds of the Society shall be set aside for payment of claims and as a special reserve fund as necessary, in accordance with the laws of the State of Wisconsin and of other states in which the Society is licensed to do business.

CHAPTER X

Local Chapters

SECTION 35. Chapters. Local chapters may be established, dissolved, and determined to be inactive in accordance with policies and procedures (hereafter referred to as "Chapter Policies") that the Board may from time to time adopt after soliciting and considering recommendations made by the Fraternal Leaders Advisory Group. If a chapter is dissolved, its members shall be transferred to one or more other chapters in accordance with the Chapter Policies.

SECTION 36. Chapter Purposes. Chapters shall operate to further the object and purposes of the Society pursuant to the Chapter Policies.

SECTION 37. Chapter Operations. At minimum, chapters shall hold meetings and undertake activities as required by applicable law and the Chapter Policies. As subordinate units of the Society, chapters are accountable to the Society for their activities and finances. Chapters shall maintain accurate records of their activities and finances and shall submit an annual activity and financial report to the Home Office of the Society on a form prescribed for such use. Other procedures relating to operation of the chapters, including without limitation, responsibilities of the chapter officers, and chapter meeting quorum, voting and procedures, shall be set forth in the Chapter Policies.

SECTION 38. Chapter Officers.

(a) **Number and Manner of Selection.** Each chapter shall have three principal officers as provided in the Chapter Policies. In the Chapter Policies, the Board may provide for non-principal officers and shall specify the manner of election or appointment of officers, the filling of vacancies, and the removal of officers.

(b) **Officer Qualifications.** A person in either of the following categories may not serve in any chapter office position: (1) full-time or part-time sales representative of the Society; (2) a member of the Board of the Society or any of its subsidiaries. Each principal officer must be a Catholic member who owns or participates in a financial service or product as determined by the Board, except that principal officers of DOH chapters need not be Catholic. Unless the Chapter Policies provide otherwise, non-principal officers need not be Catholic or own or participate in a financial service or product.

(c) **Retained Positions.** Any Society member elected to the position of a Catholic Family Life Insurance chapter officer and serving in that capacity as of the effective date of the merger of Catholic Knights and Catholic Family Life Insurance or as an officer of a DOH Service Club or Lodge and serving in that capacity as of the effective date of the merger of DOH and the Society shall be eligible to continue to serve in that position and seek reelection, while the individual remains a member of the Society until leaving the position in the normal course, regardless of whether the member satisfies eligibility requirements under the Society's Articles of Incorporation and/or Bylaws.

CHAPTER XI
Fraternal Leaders Advisory Group

SECTION 39. Fraternal Leaders Advisory Group. The Fraternal Leaders Advisory Group ("FLAG") consists entirely of chapter officers and advises the Board and the President on fraternal and chapter matters. The President appoints 15 or more chapter officers to serve on the FLAG. The President shall strive to make the FLAG broadly representative of the Society's membership. The FLAG shall meet at least two times each year. The Board shall set terms and term limits and may adopt such other rules and policies relating to the FLAG as it deems necessary from time to time.

CHAPTER XII
Resolution of Disputes

SECTION 40. Resolution of Disputes.

(a) Purpose. The purpose of this section is to provide the sole means to present and resolve certain grievances, complaints and disputes that are within its scope. The procedures set forth in this section are meant to provide prompt, fair and efficient opportunities for dispute resolution, consistent with the fraternal nature of the Society, without the delay and expense of formal legal proceedings.

(b) Scope.

(1) This subsection (b)(1) is subject to the exceptions in subsection (b)(2). This section applies whenever a member, policy owner, insured, annuitant or beneficiary claims damages or any other form of redress against the Society or its directors, officers, financial representatives and employees. In the preceding sentence, the list of potential claimants includes all past, current and future policies, members, policy owners, insureds, annuitants and beneficiaries. The claims to which that sentence refers include all claims, actions, disputes, and grievances of any kind or nature whatsoever, including, but not limited to, claims based on breach of contract, fraud, misrepresentation, violation of statute, discrimination, denial of civil rights, conspiracy, defamation, and infliction of distress, against the Society or its directors, officers, financial representatives or employees.

(2) This section does not, however, apply to

(a) any claim based entirely on a relationship with the Society other than as a sales prospect, member, policy owner, insured, annuitant or beneficiary;

(b) claims or disputes made after the applicable statute of limitations has expired;

(c) actions brought by the Society, including but not limited to actions for declaratory judgment, determining proper payees, recovering amounts due, and contesting insurance coverage or membership eligibility.

(c) Procedures. No lawsuit or any other action may be brought against the Society or its directors, officers, financial representatives and employees for any claims or disputes covered by this section. The following are the steps and procedures for presenting and resolving disputes:

Step 1. Appeal. Appeal of the dispute to a designated reviewer within the Society as appropriate to the dispute.

Step 2. Mediation. If step 1 does not result in a mutually satisfactory resolution, either party has the right to have the matter mediated in accord with the applicable mediation rules of the neutral alternative dispute resolution organization to which the parties agree or, in the absence of agreement, the American Arbitration Association.

Step 3. Arbitration. If there is still no mutually satisfactory resolution, the matter will be resolved by binding arbitration in accord with applicable arbitration rules of the neutral alternative dispute resolution organization to which the parties agree or, in the absence of agreement, the American Arbitration Association. The arbitrator(s) may award any actual damages incurred for which there is liability but may not award attorneys' fees or exemplary, extra-contractual or punitive damages. The decision of the arbitrator(s) is binding and final. Additional procedural rules may be defined in policies established by the Society and made available upon request. If a claim or dispute is subject to law that prohibits parties from agreeing to submit future disputes to binding arbitration, arbitration results shall be non-binding unless both the individual and the Society voluntarily agree to binding arbitration after the claim or dispute has arisen.

(d) Costs. Fees and expenses of the mediator and/or arbitrator shall be paid out of a dispute resolution fund established by the Society. This does not include attorneys' fees, experts' fees, or discovery costs, which each party shall bear as its own responsibility.

(e) Joinder of Disputes. No claim or dispute may be brought against the Society or its directors, officers, financial representatives, or employees in a representative capacity or on behalf of a "class" of persons or members. Claims of multiple persons may be joined and presented under this section provided that all affected members, owners, and beneficiaries consent in writing or if the Society determines that the joinder is appropriate.

CHAPTER XIII **Communications to Members**

SECTION 41. Communications to Members.

(a) Means of Communication. The Society shall maintain an official publication in which it may include any notice, report or statement required by law to be given to the members, including notice of election. If the records of the Society show that two (2) or more members have the same mailing address, an official publication mailed to one (1) member is deemed to be mailed to all members at the same address unless a separate copy is requested. The Society may provide any required notice, report or statement to members by means other than the official publication, including by mail or, to the extent that applicable law allows, by email, website, or other electronic means.

(b) Required Communications. All amendments to the Articles of Incorporation and Bylaws shall be provided to members within four (4) months after the filing of any such amendment with the Office of the Commissioner of Insurance of the State of Wisconsin and shall serve as official notice of such changes. The Society will provide members with an annual report that at minimum shall contain basic financial and operating data, information about important business and corporate developments, and such other information as the Society wishes to include or as the Office of the Commissioner requires it to include in order to keep members adequately informed.

CHAPTER XIV **Amendments of Society Bylaws**

SECTION 42. Procedure. Except as provided below, these Bylaws may be amended only by a majority of the votes cast by delegates at a regular or special meeting of the Council at which a quorum is present.

SECTION 43. Reporting. All amendments duly adopted shall be immediately printed under the supervision of the President and Secretary of the Society and a copy sent forthwith to the Office of the Commissioner of Insurance of the State of Wisconsin. A copy of all amendments shall be provided to members pursuant to section 41 above. The Secretary shall keep a complete record of each amendment. Amendments shall go into effect when adopted by the Council.

SECTION 44. Certain Amendments by Board. Between meetings of the Council, the Board may, by two-thirds (2/3) vote of the full Board, amend these Bylaws in any way necessary to clarify Council enactments, to remove or revise contradictions or ambiguities, to change wording to give effect and validity to Council enactments, or to make such enactments conform to the Wisconsin Statutes.