

**BYLAWS
OF
UNITED WAY OF METROPOLITAN CHICAGO, INC.
(Incorporated Not-for-Profit)**

ARTICLE I

Purposes

The purposes of the Corporation are as stated in its certificate of incorporation.

The Corporation also has such powers as are now or may hereafter be granted by the General Not-For-Profit Corporation Act of the State of Illinois.

ARTICLE II

Offices

The Corporation shall have and continuously maintain in this state a registered office and a registered agent whose office is identical with such registered office and may have other offices within or without the State of Illinois as the Board of Directors (hereinafter "Board") may determine.

ARTICLE III

Board of Directors

Section 3-1 General Powers

The affairs of the Corporation shall be managed by its Board or under the Board's direction.

Section 3-2 Number, Tenure and Qualifications

A. The number of Directors of the Corporation shall be thirty-seven (including the chairman and the president). The directors shall be divided into three classes of twelve each, each class having staggered terms of one to three years or until their respective successors are elected. At all times, the chair of each Regional Board (as defined below) must be appointed as a Director.

B. Prior to the first and each succeeding annual meeting of Directors, the Board shall appoint a Nominating and Governance Committee of nine members, of whom two will be persons who have Regional Board oriented experience. The Nominating and Governance Committee, prior to each annual meeting, will propose twelve nominees for terms of three years each or until their successors are elected. The Nominating and Governance

Committee will, in each year, invite suggestions for nominees from the Directors, as well as from the various standing and advisory committees of the Corporation. Each year, the Nominating and Governance Committee will nominate, as necessary, at least one nominee who serves as the Regional Board President or has Regional Board experience; maintaining a total of four regional seats at all times. The Nominating and Governance Committee in all years will also take account of the need for representation on the Board of leading volunteers in the United Way system for metropolitan Chicago. In addition, the Nominating and Governance Committee shall oversee issues of corporate governance.

C. Except for the President and Chief Executive Officer, who shall at all times be a Director, no person who is a paid employee of the Corporation or any of its members, or of any agency receiving funds from any of the above organizations may be a Director of the Corporation.

D. Except for the President and Chief Executive Officer, no Director shall be eligible for election to the Board after having served four (4) full consecutive terms of three (3) years each, except that if the term of office of the Chair shall extend beyond such time, the Chair, during his or her term of office, automatically shall be a Director-at-large for an additional term of not to exceed three (3) years.

Section 3-3 Regular Meetings

The annual meeting of the Board shall be held in June, unless otherwise decided by a vote of the Directors. The Board shall also provide by resolution the time and place for the holding of at least three additional regular meetings of the Board before the next annual meeting. The Board shall review current financial statements at each regular meeting.

Section 3-4 Special Meetings

Special meetings of the Board may be called by the Chair or upon the written request of any ten Directors.

Section 3-5 Notice of Meetings

Notice of any meeting shall be delivered by or at the direction of the Secretary to each Director addressed to an address as shown on the records of the Corporation, at least three days before the day on which the meeting is to be held.

Notice may be waived by a Director, either before or after the meeting. Attendance at any meeting except for the express purpose of objecting to the transaction of business at the meeting because it is unlawfully called or convened, shall constitute a waiver of required notice. Neither the business to be transacted at, nor the purpose of, any meeting of the Board need be specified in the notice or waiver of notice of such meeting.

Section 3-6 Quorum

A majority of the persons constituting the Board shall be a quorum for the transaction of business; provided, however, that if less than a majority of the Directors is present, a majority of the Directors present may adjourn the meeting and the Secretary shall give notice to the absent Directors of the time and place of the adjourned session of the meeting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, except where otherwise provided by law or by these bylaws. No voting by proxy shall be allowed.

Section 3-7 Telephonic Voting

Any one or more members of the Board or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Such participation may occur if: (a) the Chair of the Board or of the particular committee notifies the Board or committee members at least three days in advance electronically or in writing that the meeting will be conducted by telephonic means, or (b) the Chair of the Board or of the particular committee receives a request for participation by telephonic means from any Board or committee member who otherwise would be absent. In either instance of (a) or (b) above, the participation shall be subject to the sole discretion of the Chair of the Board or of the particular committee. Participation by such means shall constitute presence in person at the meeting.

Section 3-8 Resignations

Any Director may resign at any time by giving a written notice to the Chair or Secretary of the Corporation. The Board may, after deliberation, require a Director's resignation in the event such Director is absent from four consecutive Board meetings, whether such absences are excused or unexcused. In the event a Director experiences a change in professional circumstance or other circumstance which would have an impact on his or her service to the Corporation or to the Board during the course of his or her term as a Director, such Director shall notify the Board in writing within five days upon such change in circumstance. After such notification, the Board may require the Director's resignation following the Board's deliberation over the Director's change in circumstance.

Section 3-9 Vacancies

Any vacancy occurring in the Board shall be filled by the Board until the next annual meeting, at which time, in accordance with the nominating process prescribed in these bylaws, the Board shall elect a Director to fill such vacancy for the unexpired term.

ARTICLE IV

Officers

Section 4-1 Officers

The officers of the Corporation shall be a Chairperson, two (2) or more Vice Chairpersons, a President and Chief Executive Officer, one or more Vice Presidents, a Treasurer, a Secretary, and such other officers as may be elected in accordance with the provisions of this Article. Of the named officers, only the President and Chief Executive Officer and the Vice Presidents shall be compensated, and such compensation shall be reasonable, and the remaining named officers shall be volunteers. Any two or more offices may be held by the same person except that the Chairperson and the President and Chief Executive Officer may hold no other office. The compensation of the President and Vice Presidents shall be established by the Board. The President may not vote on his/her compensation.

Section 4-2 Election and Terms of Office

The officers of the Corporation, except as otherwise provided by this Article, shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified.

Section 4-3 Vacancies

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 4-4 Chairperson

The Chairperson shall have general oversight of the affairs of the Corporation; shall preside at all meetings of the Board of Directors; and shall be an ex officio member of all committees.

Section 4-5 Vice Chairperson

In the absence of the Chairperson or in the event of his or her inability or refusal to act, a Vice Chairperson (in designated order as determined by the Board) shall perform the duties of the Chairperson. When so acting, a Vice Chairperson shall have all the powers of, and be subject to, the restrictions upon the Chairperson. The Vice Chairpersons shall perform such other duties as may be assigned to them from time to time by the Board of Directors.

Section 4-6 President and Chief Executive Officer

The President and Chief Executive Officer shall serve as the chief executive officer of the Corporation and shall manage the business and affairs of the Corporation subject to the policies and direction of the Board and the Chairperson of the Board and shall have all powers and perform all duties incident to the office of the Chief Executive Officer. The

President and Chief Executive Officer shall be elected by, and serve at the pleasure of, the Board and shall be accountable to the Board and the Chairperson of the Board.

Section 4-7 Vice Presidents

The Board shall elect one or more Vice Presidents. In the absence of the President and Chief Executive Officer, or in the event of his or her inability or refusal to act, the Vice Presidents, in an order designated or approved by the Chairperson of the Board, shall perform the duties of the President and Chief Executive Officer. One Vice President, who will be designated by the President and Chief Executive Officer, will be primarily responsible for Council activities.

Section 4-8 Secretary

Minutes of the meeting of the Board of Directors of the Corporation shall be kept by or under the supervision of the Secretary. The Secretary shall also perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 4-9 Treasurer

Duties of the Chief Financial Officer of the Corporation shall be performed by or under the supervision of the Treasurer. The Treasurer shall also perform such other duties as may be prescribed from time to time by the Board of Directors.

ARTICLE V

Committees

Section 5-1 Executive Committee

The Executive Committee shall consist of not less than five (5) members. The Chairperson and such other Directors as approved by the Board of Directors shall be members of the Executive Committee. All members of the Executive Committee must be members of the Board of Directors. The Executive Committee shall meet between Board meetings, and at such Committee meetings the Committee shall exercise the powers of the Board of Directors in dealing with activities of the Corporation, to the extent permitted by law. The Executive Committee shall review compensation policy and personnel issues. In addition, the Executive Committee shall oversee the adoption, communication, and enforcement of appropriate standards of ethical conduct on the part of its directors, officers, employees, and affiliates in connection with their involvement in the activities of the Corporation and the metropolitan United Way system. All such actions by the Executive Committee must be reported to the Board of Directors at the next meeting of the Board following such Executive Committee action. A quorum shall be a majority of the Committee's membership.

Section 5-2 Live United 2020 Committee

The purpose of the Live United 2020 Committee is to develop, implement and evaluate the impact strategies for the Corporation across the Chicagoland region.

Section 5-3 Standing Committees

There shall be the following Standing Committees, each of which, except as otherwise set forth herein, shall be chaired by a member of the Board of Directors and appointed by the Board of Directors at the annual meeting thereof to serve for a period of one (1) year or until their successors are appointed. All Standing Committees shall report to the Board of Directors.

- A. A Nominating and Governance Committee having the membership and duties prescribed in Section 3-2B of these bylaws.
- B. A Finance Committee which shall be responsible for (1) recommending banking, investment or other financial services policies, (2) monitoring the adequacy of contributions to, and the investment performance of employee pension benefit plans maintained by the Corporation,(3) reviewing major capital projects, (4) preparation of the budget for the Corporation annually, and (5) assuring that financial statements are delivered to the Board each quarter.
- C. An Audit Committee which shall be responsible for meeting at least annually with the Corporation's independent auditors to determine whether the Corporation is maintaining an effective system of accounting, financial controls and reporting, and to report its findings and recommendations to the Board of Directors. The audit committee shall monitor risk management policies, and oversee the annual independent audit and the filing of the IRS Form 990.
- D. The Chicago Council (the "Council") of the Corporation shall be responsible, subject to approval of the Board, for overseeing allocation and other programs benefitting human service agencies serving residents of Chicago. Appointees to the Council shall be selected by the Board so as to maintain the diversity required to adequately represent Chicago interests. The Council shall be responsible for: (1) making recommendations as to the ultimate size of the Council and new and/or replacement Council members, (2) determining the time, place, notice and quorum requirements and all other procedures for both regular and special Council meetings and for any other areas of responsibility designated to the Council, (3) serving as the committee in which all Chicago Agency requests are reviewed and allocation recommendations made, (4) serving as the oversight committee for all Chicago funded agencies to insure compliance with Corporation policies and guidelines and to make recommendations to the Board regarding the sanctioning and/or removal of agencies serving Chicago, and (5) conducting such other activities as may be assigned to the Council by the Board.

- E. The Corporation Regional Boards shall be responsible for: (1) identifying local health and human service needs, (2) supporting fundraising efforts by leveraging networks and participating in fundraising opportunities with local businesses and individuals, (3) recommending community grant investments, as determined by the Regional Board in accordance with the organizational community impact strategy, and (4) serving as a catalyst for community problem-solving. Appointments to the positions of chair and vice chair of each Regional Board must be recommended by the Regional Board and approved by the Nominating and Governance Committee by an affirmative vote of the majority. Each Regional Board Chair, as approved by the Nominating and Governance Committee and Board of Directors, will serve as a voting Director on the Board.

- F. A Compensation and Human Resources Committee which shall be responsible, subject to approval of the Board, for establishing a fair and equitable compensation process with respect to the establishment, maintenance, and administration of the evaluation and compensation for officers and key employees and to provide oversight regarding various human resources processes and performance.

- G. A Diversity Committee which shall be responsible for formulating and overseeing policies and actions that promote inclusion by increasing broad-based participation through volunteerism and giving.

The Board may also appoint one or more additional committees, consisting of two or more directors, with such duties and responsibilities as the Board shall determine. Committee members need not be Board or Council members, except as provided above. Each Standing Committee will have at least one member who is a member of a Regional Board or have Regional Board oriented experience.

ARTICLE VI

Community Investment Distribution Formula

Section 6-1 Distribution

The Chicago Council and the Regional Boards shall recommend the local agencies and programs to fund in response to local needs and in accordance with the regional community impact strategy as developed by the Live United 2020 Committee. The Board shall have final decision-making authority with respect to such process.

Section 6-2 Distribution Methodology

A single pool of allocable funds shall be determined based on unrestricted revenue raised by the Corporation less donor-directed designations, collection loss, organizational expenses, Board-approved special funding needs, strategic initiative funding, emergency service funding and a discretionary pool.

Funds will be distributed to each region based on the number of people living at or below 200% of the Federal Poverty Level ("FPL") within each region divided by the total number of people living at or below 200% of the FPL across the entire Corporation footprint. The distribution shall be recalculated prior to each grant-making cycle. FPL is a measure of income level issued annually by the federal Department of Health and Human Services.

ARTICLE VII

Contracts, Loans, Checks and Deposits

Section 7-1 Contracts

The Board by resolution may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 7-2 Loans

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Section 7-3 Checks, Drafts, Etc.

All checks, drafts or other offers for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall be determined by resolution of the Board.

Section 7-4 Deposits

All funds of the Corporation not otherwise designated shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board may approve by resolution.

ARTICLE VIII

Compensation, Conflicts of Interest and Code of Ethics

Except as may be specifically provided by resolution of the Board or as otherwise provided in these bylaws, no Director or Officer, directly or indirectly, shall receive any salary, fee, payment, honorarium or other compensation or thing of value of any kind from the Corporation or other party as a result of such Director's or Officer's position or affiliation

with the Corporation. However, they may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

Each Director and Officer shall annually disclose to the Corporation in writing any personal interest which such Director or Officer may have in any matter pending before the Board or the Executive Committee or in which the Corporation may have an interest and shall refrain from participating in any decision in such matter.

ARTICLE IX

Indemnification of Directors, Officers, Employees and Agents

Section 9-1

The Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including reasonable attorneys' fees and costs), judgment, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner the person reasonably believed to be in, or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner in which he or she reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

Section 9-2

The Corporation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including reasonable attorneys' fees and costs) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit, if the person acted in good faith and in the manner he or she reasonably believed to be in, or not opposed to the best interests of the Corporation, and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been

adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation, unless, and only to the extent that, the court in which such action or suit was brought shall determined upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expense as the court shall deem proper.

Section 9-3

To the extent that a director, officer, employee or agent of the Corporation has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding, referred to in Section 1 or Section 2 of this Article IX or in defense of any claim, issue or matter herein, that person shall be indemnified against expenses (including reasonable attorneys' fees and costs) actually and reasonably incurred by him or her in connection therewith.

Section 9-4

Any indemnification under Section 1 or Section 2 of this Article IX (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article IX. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of voting directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs by independent legal counsel in a written opinion.

Section 9-5

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that the person is entitled to be indemnified as authorized in this Article IX.

Section 9-6

The indemnification provided by this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of disinterested voting directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 9-7

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against that person and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify that person against such liability under the provisions of this Article IX.

ARTICLE X

Fiscal Year

The fiscal year of the Corporation shall end on June 30.

ARTICLE XI

Amendment to Bylaws

These bylaws may be altered, amended or repealed and new bylaws may be adopted by the Board by the vote of a majority of those voting at the meeting. At least fifteen days written notice of such meeting shall set forth or be accompanied by, the proposed alteration, amendment, or new bylaws, as the case may be.