

**ARTICLES OF INCORPORATION
OF
CATHOLIC KNIGHTS
*(Effective April 1, 2010)***

**ARTICLE I
Name**

The name of this fraternal benefit Society shall be Catholic Knights (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 branches;

(C) To vote for delegates to the Triennial Council and to vote and participate in local branch affairs including serving as a branch officer other than president, vice-president or secretary-treasurer;

(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 be comprised of the Board of Directors, President, Secretary/Treasurer and delegates elected by the local branches on a basis that ensures equal weight to the vote of each member who is entitled to vote at branch meetings in accordance with the procedure set forth in the Bylaws. One Hundred (100) elected delegates shall constitute a quorum at any meeting of the Council, and the act of a majority of the delegates present 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. 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.

ARTICLE VI
Branches

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

ARTICLE VII
Amendments

Proposed amendments to these Articles of Incorporation shall be submitted to the Judiciary Committee not less than one hundred twenty (120) days prior to the regular meeting of the Council or a special meeting of the Council called for purposes of acting on proposed amendments to the Articles of Incorporation. Any amendments to these Articles of Incorporation shall require approval from not less than two-thirds (2/3) of the delegates to the Council. 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 KNIGHTS**
(Effective April 1, 2010)

CHAPTER I
Triennial Council

SECTION 1. Regular Meeting. The regular meeting of the Triennial Council (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 of Directors shall determine. Notice of the date and place of said meeting shall be mailed to the secretary/treasurer of each branch not less than 240 days before the date fixed therefor.

SECTION 2. The Supreme Governing Body of the Society is comprised of delegates as follows:

(a) **Delegates to the Council.** Representation of each branch/chapter at the regular meeting of the Council shall be upon the basis of one delegate for each 210 members who have the right to vote at branch/chapter meetings, or major fraction thereof; provided, however, that each branch/chapter shall have a minimum of two (2) delegates and no more than ten (10) delegates regardless of the number of members.

(b) **Branch/Chapter Delegates.** The branch/chapter president/chair and branch/chapter secretary/treasurer serving at the time of election of delegates to the Council shall automatically serve as delegates unless ineligible pursuant to this Section 2. In the event either individual is ineligible or declines to be a delegate or if the branch/chapter is entitled to elect more than two (2) delegates, then between 240 and 150 days prior to the regular meeting of the Council, each branch/chapter shall elect its additional delegates and/or alternates to the Council. The names of such delegates and alternates shall be certified by the branch/chapter officers to the Home Office not more than 10 days after the branch/chapter determines or elects its delegates and alternates. Alternates shall act only in the case of the death, absence or disability of a delegate. Members of any branch/chapter that does not have delegates to the Council may contact any member of the Board of Directors to express their views as to matters before the Council.

(c) **Delegate Qualifications.** No person may be elected a delegate or alternate of a branch/chapter unless such person is a Catholic member who owns or participates in a financial service or product as determined by the Board of Directors and has been a member of said branch/chapter for at least one (1) year, except that this time requirement is waived in the instance of newly-created or reactivated branches/chapters. In addition, such individual must have been actively involved in branch/chapter activities as determined by the branch/chapter officers. A person in any of the following categories may not be elected as a delegate or alternate for any branch/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 Directors of the Society or any of its subsidiaries; and (4) spouses of members of the Board of Directors of the Society. Provided, however, that persons serving as delegates at the time of the merger of Catholic Knights and Catholic Family Life shall continue to be delegates until their successors are duly elected and qualified.

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

(e) Supreme Governing Body. The above notwithstanding, the Supreme Governing Body of the Society until the 2012 Triennial Council meeting shall be all the delegates (or their respective alternates) who comprised the separate Catholic Knights and Catholic Family Life Insurance 2009 supreme governing bodies. These combined delegates shall all be empowered to vote on the Society's Articles of Incorporation and these Bylaws, and on any other business that may need to come before them prior to the regular 2012 Triennial Council meeting.

SECTION 3. Number of Directors and Term of Office. The Society's Board of Directors as of the effective date of the merger of Catholic Knights and Catholic Family shall be thirteen (13) directors who had been serving on Catholic Knights' Board and the six (6) who were appointed by and from Catholic Family Life Insurance's Board, all of whom shall continue to serve terms that expire December 31, 2012. Unless otherwise amended, thereafter the total number of voting directors of the Society shall be nineteen (19). Fifteen (15) members shall be elected at large by the Council for a term of three years from the first day of January following their election, and shall serve until their successors are elected and qualified. There shall also be two (2) Board members appointed by the President and confirmed by the Board, only one of whom may be an officer or employee of the Society. Each 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 of Directors. Each shall serve for a one-year term. The President and the Secretary/Treasurer of the Society shall also serve as members of the Board of Directors with voting rights. No Board member of the Society may serve more than three (3) consecutive three-year terms or nine (9) consecutive years. The foregoing term limitations shall not apply to the President or the Secretary/Treasurer of the Society. Any director selected by and from the Board of Directors of Catholic Family Life Insurance to serve on the Society's Board of Directors as of the effective date of the merger of Catholic Knights and Catholic Family Life Insurance shall be deemed to have commenced service with the Society's Board as of that effective date. For purposes of term limits as of the merger, Catholic Family Life Insurance shall designate one of its six directors to serve a maximum of one three-year term (3 years), two directors to serve a maximum of two three-year terms (6 years), and three directors to serve a maximum of three three-year terms (9 years). The period of time between the merger and the 2012 Council meeting shall qualify as a three-year term. As provided in Section 45, the Spiritual Director will serve as a non-voting member of the Board of Directors.

SECTION 4. Nominations for Office. The election of the President and the nine (9) at-large members of the Board of Directors shall take place at the regular meeting of the Council. No agent or employee of the Society, with the exception of the President and Secretary/Treasurer, may be a candidate for any elected Board position. In addition, any agent

or employee whose contract or employment is terminated by the Society shall be ineligible to run for any position at the next regular meeting of the Council following termination.

Only persons who have continuously owned or participated in a financial service or product as determined by the Board of Directors for at least two (2) years prior to the Council meeting, and in good standing as determined by the Board of Directors, may be candidates to the Board. In addition, when submitting their name to the Credentials Committee, prospective candidates must certify their membership in a Catholic parish and include a certification from their local branch president or secretary-treasurer confirming their attendance at no less than three (3) local branch functions since the last regular meeting of the Council.

A candidate shall submit his or her name to the Credentials Committee no later than 120 days prior to the meeting of the Council in order to be a candidate for office. Desired Qualifications for the position of President shall include:

- (a) A sound educational background, including having obtained, or actively enrolled and vigorously pursuing, one or more advanced degrees or designations in the financial services industry, such as Chartered Life Underwriter (CLU), Chartered Financial Service Consultant (ChFC) and/or National Association of Securities Dealers (NASD) securities registration for Series 6 and 63;
- (b) A proven track record in a senior management position with a financial services organization, which included the responsibility of hiring and managing high level executives; and
- (c) Moral character, business ethics, and Catholic values.

Only candidates whose qualifications have been verified by the Credentials Committee will be considered as nominees. In addition, any candidate wishing to distribute literature to the delegates at or prior to the Council meeting must submit such literature to the Credentials Committee for its review and clearance on a timely basis, in accordance with Section 12(a) of these Bylaws, prior to distribution of the literature to the delegates. Any candidate who does not comply with these procedures will be disqualified as a candidate and will not have his or her name on the ballot. No nominations from the floor will be accepted during the Triennial Council meeting.

SECTION 5. Method of Election. The President shall be elected by a majority vote of the delegates at the regular meeting of the Council. 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; *i.e.*, the individuals 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 persons tie for the last vacancy to be filled, a run-off vote shall be taken from among the candidates receiving the tie vote. Delegates may cast only one vote per candidate; cumulative voting shall not be permitted. Candidates' names shall be randomly listed on the ballot.

SECTION 6. Compensation. The Council shall set compensation for the Board of Directors, excluding the positions of President and Secretary/Treasurer. None of the provisions of this section shall be intended to abrogate the authority of the Board of Directors to fix compensation for services rendered to the Society by any persons serving on committees of the Board of Directors, or to prevent payment to any persons for special service rendered to the Society by authority of the Board of Directors.

SECTION 7. Special Meetings. Special meetings of the Council may be called either by action of the Board of Directors, whenever the Board deems it necessary, or by filing in the Home Office of the Society a written petition signed by fifty percent (50%) of the delegates of the preceding regular meeting of the Council. Upon either such action being taken, it shall be the duty of the President, within a period of 60 days thereafter, to convene a special meeting of the Council. Notice of the time and place of said meeting shall be mailed to the secretary-treasurer of each branch and to each delegate of the preceding regular meeting of the Council at least 20 days before the date fixed therefor.

SECTION 8. Delegates for Special Meetings. The delegates and alternates that represented the branch at the last regular meeting of the Council shall also serve as delegates of the branch at special meetings of the Council. In case of the death or inability of any such delegate or alternate to serve, the branch shall fill the vacancy by electing some other eligible member of the branch. Such election shall be immediately certified by the branch to the Secretary/Treasurer of the Society.

SECTION 9. Reimbursement of Expenses. The Society shall pay the delegates in attendance at Council meetings transportation expense by the shortest customary route, and a per diem allowance as directed by the Council.

SECTION 10. Conduct of Meeting. Only duly elected delegates, officers of the Society and Council committee members are eligible to speak and address the delegates in attendance at Council meetings with respect to issues before the Council.

SECTION 11. Ballot In Lieu of Special Meeting. In lieu of calling a special meeting of the Council, the Board may send a written ballot to all the delegates described in Section 8. 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 signed ballots equal in number to the number of votes that would have been needed to adopt the resolution at a special meeting of the Council.

CHAPTER II **Committees to the Council**

SECTION 12. Committees to the Council. All committees shall consist of members who were certified as delegates to the Triennial Council. The President, in addition to the duties and powers set forth above, shall appoint the following committees prior to each regular meeting

of the Council, except as otherwise provided for the Credentials Committee and Grievance Committee.

(a) Credentials Committee.

(1) Only those applicants for board positions and for the position of President who have been certified as candidates by the Credentials Committee shall be eligible for election at a meeting of the Council. The Credentials Committee shall consist of nine (9) members, other than candidates for election, composed of:

(a) three (3) members appointed by the Branch Officers Roundtable;

(b) three (3) members appointed by the Board of Directors;

(c) three (3) members appointed by the President who are experienced Catholic business leaders.

(2) The Committee will:

(a) review all information that applicants for board positions submit or that is otherwise obtained;

(b) interview each applicant who has complied with the requirements of section 4 of these bylaws;

(c) certify all applicants who have met both of the following requirements:

1. complied with the requirements of section 4 of these bylaws; and

2. did not intentionally submit false or misleading information.

(d) submit to the delegates a summary of all accurate and relevant information about each certified candidate;

(e) if the Committee concludes that any certified candidate fails to possess one or more of the following characteristics, the Committee will inform the delegates of its conclusion and the reasons for it:

1. has at least a general knowledge of the fraternal benefit system;

2. has at least a general knowledge of the history, customs and structure of the Society;

3. has personal experience in business management, the financial services industry or comparable business experience; and

4. has affirmed his or her willingness to participate in educational seminars and programs that provide regular instruction in life insurance and/or financial services organization management issues.

(f) review all literature that a certified candidate wishes to distribute or to have distributed to the delegates; and

(g) prohibit a certified candidate from distributing or having distributed any literature that is inaccurate or misleading, and decertify any candidate who makes an unauthorized distribution of literature.

(b) Judiciary Committee. The Judiciary Committee shall be appointed not later than 120 days prior to the meeting of the Council. The Committee shall receive reports of all proposed amendments relating to the Constitution 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.

(c) 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/Treasurer, for the ensuing term.

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

(e) Grievance Committee. The Grievance Committee shall consist of five (5) members, three of whom are to be appointed by and from the Branch Officers Round Table (BORT), and two of whom are to be appointed by the Board of Directors. The Grievance Committee shall review, consider and make recommendations only with respect to grievances regarding issues directly affecting the Triennial Council. All decisions of the Grievance Committee are final and can only be appealed to the Triennial 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 Triennial Council meeting in order to be considered by the Grievance Committee. If a grievance occurs within seven days of the Triennial Council meeting, that grievance may be brought to the chair of the Triennial Council for resolution.

(f) Other Committees. Such other committees considered necessary for the conduct of Council business or as provided for by resolution adopted by the Council or Board of Directors.

(g) All Committees. In addition to the responsibilities outlined above, each committee shall have such other powers and responsibilities as may be delegated to it by the President. All issues to be presented to committees for consideration must be filed with the

Home Office not less than 120 days prior to the regular meeting of the Council, other than those submitted for grievance.

CHAPTER III **Board of Directors**

SECTION 13. Board of Directors. The affairs of the Society shall be managed by its Board of Directors between regular meetings of the Council. The Board of Directors shall also perform such other duties as prescribed by these Bylaws.

SECTION 14. Regular Meetings. The Board of Directors shall meet at least quarterly. The Board of Directors may by resolution provide for regular or stated meetings of the Board, to be held at a fixed time and place, and upon the passage of any such resolution such meetings shall be held at the stated time and place without other notice than such resolution.

SECTION 15. Special Meetings. Special meetings of the Board of Directors 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 of Directors, or Secretary/Treasurer, and shall be called by the Secretary/Treasurer 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 16. Quorum and Manner of Acting. A majority of the total number of directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law.

SECTION 17. Vacancy. Vacancies occurring by reason of death, resignation or otherwise shall be filled by the Board of Directors in a timely manner for the remainder of the term. However, a vacancy in the position of President shall be filled within seven (7) days by the Board of Directors meeting and naming an "acting president" who shall continue to fulfill the responsibilities of the President until a successor is appointed by the Board of Directors or elected at the next regular Council meeting. In addition, the Board of Directors, by a two-thirds (2/3) vote of the full Board, may remove, for cause, any director, the President, or the Secretary/Treasurer, and shall fill any such vacancy in a timely manner.

SECTION 18. Committees of the Board. The Board of Directors 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.

CHAPTER IV

Officers

SECTION 19. Officers. The principal officers of the Society shall be the President who shall be elected by the delegates, the Secretary/Treasurer who shall be appointed by the Board of Directors, and another officer of the Society who has continuously owned or participated in a financial service or product for at least two (2) years. The Society may also have other Vice Presidents, who shall be appointed by the President, and subject to confirmation by the Board of Directors. The President shall be elected for a three-year term by the delegates at each regular meeting of the Triennial Council. The Secretary/Treasurer shall be appointed for a three-year term by each new Board of Directors at its first meeting following the regular meeting of the Triennial Council. The third principal officer shall be appointed by and serve at the discretion of the Board of Directors. The other Vice President(s) shall serve at the discretion of the President.

SECTION 20. President. The President shall be the principal executive officer of the Society and, subject to the supervision of the Board of Directors, 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 of Directors from time to time.

SECTION 21. Secretary/Treasurer. The Secretary/Treasurer shall maintain an accurate record of the minutes of all regular and special meetings of the Council and of the Board of Directors, and he or she shall present a report at each regular meeting of the Board of Directors and of the Council summarizing the financial affairs of the Society and other matters as may be requested. He or she shall witness corporate documents when necessary and shall keep an accurate account of all monies received and disbursed by the Society. In general, the Secretary/Treasurer shall perform all duties incident to that office and such other duties as may be prescribed by the Board of Directors.

SECTION 22. Vice President(s). The Vice President(s) shall perform such duties as are customarily assigned to their respective office and as may be assigned from time to time by the President or by the Board of Directors.

SECTION 23. Chair of the Board of Directors. 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 committee consisting of the President and two directors selected by majority vote of the directors elected to the board shall annually nominate a director for Chair. Their nomination must then be confirmed by majority vote of the elected directors. 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 nominating committee. The compensation of the Chair shall be double the standard annual board member base compensation as established by the Triennial Council.

The Chair has a leadership role on the board and shall call and preside at all meetings of the board and its executive committee. 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 24. Fidelity Bonds. The Board of Directors may require that fidelity bonds be maintained on any society officer, branch officer, employee or agent in such sum and with such sureties as determined by resolution of the Board.

CHAPTER V **Indemnification of Officers and Directors**

SECTION 25. Indemnification. The Society may, 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 26. 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 of Directors.

CHAPTER VI **Membership**

SECTION 27. Membership Provisions. The Articles of Incorporation provide for the qualifications, rights and classes of members.

SECTION 28. Application for Membership. An applicant for membership in this Society shall sign an application furnished by the Society, stating such information as the Board of Directors 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 29. 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. Membership that is based on being an owner, insured, or annuitant shall expire if and when the insurance contract is surrendered or lapses.

SECTION 30. 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 31. Expulsion of Members. Any member may be expelled for just cause by a vote of his or her branch, with the approval of the President of the Society. If the branch 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 branch. 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 branch 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 32. 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 33. 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 34. Transfer. A member may be transferred from one branch to another upon his or her own request; however, all members living as a family in a single household must be members of one and the same branch. New members shall be assigned to the branch of their choice or if no preference is given, to the branch nearest their residence.

CHAPTER VII
Maintenance of Solvency

SECTION 35. If the Society's financial position becomes impaired, the Board of Directors 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 of Directors or the Council may specify the manner of election and which alternative is to be presumed if no election is made.

CHAPTER VIII
Funds and Investments

SECTION 36. Funds and Investments. The funds of the Society shall be invested in accordance with investment policies adopted by the Board of Directors 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 IX
Local Branches

SECTION 37. New Branches. Local branches may be established and dissolved in accordance with rules and procedures that the Board of Directors may from time to time adopt. Branches established after the 2000 Triennial Council shall not have fewer than 50 members nor more than 1,500 members. Local branches shall have such powers as the Board of Directors shall determine. If a branch is terminated, its members may be transferred to one or more other branches in accordance with rules and procedures that the Board of Directors may from time to time adopt.

SECTION 38. Branch Meetings. All branches are required to hold meetings of their members at least once every three months. Two business meetings of the branch shall be held annually. Each branch shall maintain minutes of its branch and branch officer meetings. Reasonable notice of the meetings and activities to be held by the branch shall be given to all voting members of the branch by the secretary/treasurer of the branch. Such notice may be given by mail or by electronic means, such as e-mail and the internet, or by any other reasonable means. Meetings may be conducted in person, by telephone, or by electronic means, such as e-mail and the internet, or by any other reasonable means.

For purposes of a business meeting of a branch, ten (10) members or five percent (5%) of the members of the branch, whichever is less, shall constitute a quorum. In branches having 100 or less members, a quorum shall consist of not less than five members.

SECTION 39. Branch/Chapter Officers. The officers of each branch/chapter shall be a branch/chapter president/chair, a branch/chapter vice president/chair, a branch/chapter secretary/treasurer and such other officers as the Board of Directors of the Society may from time to time determine as follows:

(a) Officer Elections. Branch/chapter officers shall be elected for terms of not longer than three (3) years, as determined by the branch/chapter. There shall be no limitation on the number of terms an individual may serve as a branch/chapter officer. The branch/chapter president/chair, branch/chapter vice president/chair and branch/chapter secretary/treasurer must be Catholic members who own or participate in a financial service or product as determined by the Board of Directors; other branch/chapter officers may but need not be such a member nor Catholic. The branch/chapter officers shall also appoint an individual to serve in the position of spiritual director.

(b) Officer Ratification. Notwithstanding the foregoing, the election of the branch/chapter president/chair, branch/chapter vice president/chair and branch/chapter secretary/treasurer must be ratified by the Secretary/Treasurer of the Society.

(c) Officer Qualifications. Only individuals who have been members of a branch/chapter for at least 120 days before the branch/chapter officer election may be elected as branch/chapter officers, except that this 120-day requirement is waived in the instance of a newly-created or reactivated branch/chapter. A person in any of the following categories may not serve as a branch/chapter officer: (1) full-time or part-time sales representative of the Society; (2) the Society's Secretary Treasurer and the elected members of the Board of Directors of the Society or any of its subsidiaries; and (3) spouses of members of the Board of Directors of the Society. Provided, however, that persons serving as branch/chapter officers at the time of adoption of these Amended and Restated Bylaws may continue to serve as branch/chapter officers until their successors are duly elected and qualified.

(d) 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 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.

SECTION 40. Vacancy. Vacancies occurring by reason of death, resignation, removal or otherwise, shall be filled by the appointment of a successor for the remainder of the term by majority vote of the remaining branch officers. This appointment will be promptly reported to the home office and is subject to ratification by the home office. Any branch officer may be removed for cause by a two-thirds vote of the branch at a scheduled business meeting of the branch. In addition, if any branch officer is derelict in his or her duty, it shall be the duty of the

Board of Directors of the Society to declare the office vacant and fill the vacancy created until the next annual meeting of the branch.

SECTION 41. Branch Operations. As subordinate units of the Society, branches are accountable to the Society for their activities and finances. Branches 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 branches, including without limitation, responsibilities of the branch officers and conduct of branch meetings, shall be set forth in a branch operations manual adopted by the Board of Directors of the Society.

CHAPTER X **Branch Officers Roundtable**

SECTION 42. The Branch Officers Roundtable (the "BORT") shall be an advisory group consisting of not less than 15 branch officers appointed by the President to provide direct input to the Society's management regarding policies, procedures and decisions affecting the branch system. The members of the BORT shall be selected to represent a cross section of the geographical areas and membership sizes of all of the Society's branches. The President shall make appointments to the BORT in such a manner that all branches will eventually have a representative on the BORT.

The BORT shall meet at least two times each year. The members of the BORT shall serve for a term of twenty-four months with eight or seven (in alternate years) members changing each January 1. Appointment shall be limited to currently serving branch officers. The Board of Directors shall adopt such other rules and policies relating to the BORT as it deems necessary from time to time. The BORT shall select at least one of their members to attend any Board meeting during which the Board of Directors shall take any action regarding existing or new programs which may affect the branch system to directly convey the advice of the BORT.

CHAPTER XI **Resolution of Disputes**

SECTION 43.

(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 XII **Official Publication**

SECTION 44. The official publication of the Society shall be called *Catholic Knight* magazine. Any notice, report or statement required by law to be given to the members shall be published in the *Catholic Knight* magazine. If the records of the Society show that two or more members have the same mailing address, an official publication mailed to one member is deemed to be mailed to all members at the same address unless a separate copy is requested.

All amendments to the Articles of Incorporation and Bylaws, respectively, of the Society shall be published in the *Catholic Knight* within four 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.

CHAPTER XIII **Spiritual Guidance**

SECTION 45. 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 masses or other rites at the Triennial Council and other events and gatherings of Society members. The Spiritual Director will serve as a non-voting member of the board of directors who will receive all materials that directors receive and who may attend and participate in any or all Board meetings.

SECTION 46. The President may appoint a Catholic priest to serve as chaplain of any state in which the Society is active. At the state and branch 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 XIV
Amendments of Society Bylaws

SECTION 47. Procedure. These Bylaws may be amended only by approval of a majority of the Council. All proposed amendments shall be referred to the Judiciary Committee for review prior to a meeting of the Council in accordance with Section 12 of these Bylaws. Upon review of the committee's report, final action shall be taken by the Council.

SECTION 48. Reporting. All amendments duly adopted shall be immediately printed under the supervision of the President and Secretary/Treasurer of the Society and a copy sent forthwith to the Office of the Commissioner of Insurance of the State of Wisconsin. Notice of amendments to the Bylaws shall also be given to all members by publication in the official publication of the Society. The Secretary/Treasurer shall keep a complete record of each amendment. Amendments shall go into effect when adopted by the Council.

SECTION 49. Certain Amendments by Board of Directors. Between meetings of the Council, the Board of Directors 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.

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