



**Articles of Incorporation and Bylaws
of**

CSA Fraternal Life

**adopted via a Special Session of the continuation of the
XLI Quadrennial Convention as authorized by the CSA Board of Directors on March 12, 2021**

AFFIDAVIT

STATE OF ILLINOIS)
) §
COUNTY OF DU PAGE)

John J. Kielczewski, President, and Matthew Koski, Secretary, both being duly sworn, have personally appeared before me, a Notary Public in and for said County and State, and say that the following is a correct and complete copy of the Constitution and Bylaws of said Society as adopted at the Special Session of the continuation of the 41st Quadrennial Convention that the CSA Board of Directors authorized on March 12, 2021.

John J. Kielczewski
President

Matthew Koski
Secretary

Sworn to before me and subscribed in my presence at Lombard, Illinois, the 11 day of June 2021.

Eleanor M. Kobit
Notary Public



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Articles of Incorporation

PREAMBLE

Section 1

This fraternal benefit society (Society) now known as CSA Fraternal Life was originally organized in 1932 as the Czechoslovak Society of America (CSA). It was formed by a merger of the following Societies:

Czecho-Slavonic Protective Society, organized March 4, 1854 (St. Louis, MO)
Society of Taborites, organized May 13, 1880 (Chicago, IL)
Bohemian Slavonic Fraternal Benefit Union, organized March 16, 1885 (Cleveland, OH)
Bohemian Slavonic Union, organized May 12, 1892 (Chicago, IL)
Bohemian American Foresters, organized December 5, 1899 (Chicago, IL)

and later mergers of:

Bohemian American Union, organized May 10, 1910 (Chicago, IL)
Czech Ladies Benevolent Society, organized February 2, 1890 (Cleveland, OH)
Central Committee of Bohemian American Women (Chicago, IL)
Unity of Czech Ladies and Men, organized in February 1873 (Cleveland, OH)

Section 2

The Charter of the Czecho Slavonic Protective Society was adopted by the Czechoslovak Society of America and establishes the Society's date of organization as March 4, 1854.

ARTICLE I

Name, Incorporation and Location

Section 1

The name of this Society is CSA Fraternal Life except in the state of New York where the name shall remain Czechoslovak Society of America.

Section 2

The Society is incorporated without capital stock in the State of Illinois as a fraternal benefit society.

Section 3

The Society shall maintain its home office in the State of Illinois.

Section 4

The names and residences of the incorporators are:

<u>Name</u>	<u>Residence</u>
John Pecha	Chicago, Cook Co., Illinois
Joseph A. Smejkal	Chicago, Cook Co., Illinois
John Klaus	Chicago, Cook Co., Illinois
J.V. Lunak	Chicago, Cook Co., Illinois
Matej Kara	Chicago, Cook Co., Illinois
Felix B. Janovsky	Chicago, Cook Co., Illinois
Vaclav Roubal	Chicago, Cook Co., Illinois
Georga A. Sindelar	Chicago, Cook Co., Illinois
Joseph Becwar	Chicago, Cook Co., Illinois
B.V. Sedlacek	Chicago, Cook Co., Illinois

ARTICLE II

Purpose

Section 1

The Society is organized and maintained for the mutual benefit and protection of its members and beneficiaries. It shall issue certificates of insurance and annuity benefits and may provide such other benefits as are permitted under the Insurance Code of any State in which it is licensed.

Section 2

Its further purposes shall be:

- a) To foster fraternity, charity, and patriotism among its members;
- b) To promote the social, recreational, and spiritual welfare of its members and mankind in general;
- c) To encourage its members to practice physical fitness and to cooperate with and support organizations promoting such programs;
- d) To encourage and support every effort to perpetuate the Czech and Slovak heritage, language, and customs; and
- e) To promote and support all activities and principles as befits a fraternal benefit society.

ARTICLE III

Membership

Any person of good character and who subscribes to the purpose for which the Society is organized and meets all requirements for membership established by the Society may apply for and be accepted into membership in the Society.

ARTICLE IV

Government

The Society shall be governed as follows:

- a) The Convention shall be the highest legislative body and shall be composed and meet as provided in the Bylaws.
- b) The National Board of Directors shall be the highest authority of the Society in the interim between sessions of the Convention with rights and powers as provided in the Bylaws. The number, qualifications, method of election or appointment, and the terms of the members of the Board of Directors shall be as provided in the Bylaws.

ARTICLE V

Amendments to the Articles of Incorporation

The Articles of Incorporation of the Society may be amended or repealed in whole or in part as provided in the Bylaws.

BYLAWS

ARTICLE I General Provisions

Section 1 - Waiver

No Society Officer, Director, employee, agent, subordinate body, nor any of its subordinate officers or members shall have the power or authority to waive any of the provisions of the laws of the Society. The Articles of Incorporation and Bylaws shall be binding on the Society and every member and beneficiary of a member.

Section 2 – Terms

Terms as used in these Bylaws will be understood to mean the following:

- a) Society shall mean CSA Fraternal Life; or in the State of New York, Czechoslovak Society of America;
- b) Convention shall mean the Quadrennial Convention of the Society;
- c) National Board of Directors, Board of Directors and Board are references to the same governing body;
- d) Officers shall mean the Society's Executive Officers unless otherwise designated;
- e) Region shall mean a geographic area as established by these Bylaws;
- f) Youth and juvenile are interchangeable;
- g) Laws of the Society shall mean the Articles of Incorporation and these Bylaws;

Section 3 – Gender

Any use of a masculine pronoun in these Bylaws shall apply equally to both genders.

Section 4 – Procedures

If the Articles of Incorporation or Bylaws of the Society are silent as to any procedural aspect of any action or meeting hereunder, the procedures of the latest edition of Roberts Rules of Order shall control.

ARTICLE II Membership

Section 1 - Membership Classification

The Society shall have these categories of membership:

- a) Benefit Member
 - 1) Adult Benefit Member
 - 2) Youth Benefit Member
- b) Non-Benefit Member
- c) Honorary Member

Section 2 - Member Eligibility

- a) A benefit member is a member who has been accepted for membership in accordance with the eligibility rules of the Society and has a valid CSA certificate of insurance or annuity, and is the primary insured or is receiving a settlement agreement by reason of such insurance or annuity.
 - 1) Adult Benefit Member - shall be a minimum age of 18
 - 2) Youth Benefit Member - shall not have reached the age of 18
- b) A non-benefit member is one who meets any one of the following criteria:
 - 1) was accepted as a non-benefit member prior to August 10, 1994; or
 - 2) has attained the age of maturity under the certificate and has collected the entire proceeds of the certificate.
- c) An honorary member is one who has been granted membership by the Board of Directors.

Section 3 - Member Rights

- a) Each adult benefit member shall have the right to:
 - 1) Belong to one Lodge (multiple Lodge membership established before August 10, 1994 will be honored);
 - 2) Participate in any fraternal activities of the Society;
 - 3) Participate in all deliberations and vote on all matters of his Lodge's business;
 - 4) Be elected to Lodge office;
 - 5) Be elected as Delegate to the Convention, if otherwise qualified; and
 - 6) Be elected as a Director of the Society, if otherwise qualified.
- b) Each non-benefit member shall have the right to:
 - 1) Belong to one Lodge;
 - 2) Participate in any fraternal activities of the Society;
 - 3) Participate in all deliberations and vote on all matters of Lodge business; and
 - 4) Be elected to Lodge office.

A non-benefit member shall not be eligible for election as a Delegate to a Convention of the Society or as a Director of the Society or to vote or participate in the management of the insurance affairs of the Society.

- c) Each youth benefit member shall have the right to:
 - 1) Belong to one Lodge;
 - 2) Participate in fraternal activities of the Society;
 - 3) Participate in youth activities of the Lodge, but shall have no vote, shall not hold a principal office, and shall not be included in a quorum count.

- d) An honorary membership, conferred by the Board of Directors, is symbolic, without rights.

Section 4 - Member Duties

It shall be the duty of each member to:

- a) Abide by the Laws of the Society and other rules of the Society;
- b) Fulfill all contractual obligations to the Society;
- c) Act in the spirit of the motto of the Society, "Equality, Harmony and Fraternity" in all Society activities;
- d) Advance the purpose of the Society as stated in the Articles of Incorporation; and
- e) Participate in the charitable and fraternal activities of the Society and his Lodge to the best of his ability.

Section 5 - Resolution of Disputes

The Society was founded on the principles of mutual aid, to associate its members, and enable them to support each other and their communities. The Society is charged both to assist its members' needs and to provide stewardship of the assets of the Society to carry out its missions and to assist members in conflict.

The purpose of this section is to provide a method for fair resolution of disputes consistent with the fraternal nature of the Society without the delay and expense of formal legal proceedings. This section applies to all past, current and future benefit certificates, members, benefit certificate owners, beneficiaries or payors, and the Society. It applies to all claims, actions, disputes and grievances of any kind or nature whatsoever. To the extent permitted by applicable law, this section applies to all claims, actions, disputes and grievances brought by the Society against members, insureds, certificate owners or beneficiaries. This section does not apply to any claims or disputes relating to interpleader actions to determine proper owner, beneficiary, or payee.

- a) No lawsuits or any other actions may be brought for any claims or disputes covered by this section. The following are the steps and procedures for presenting and resolving disputes:
 - 1) Step 1. Appeal. Appeal of the dispute to a designated reviewer within the Society as appropriate to the dispute.
 - 2) 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 accordance with the applicable mediation rules of the American Arbitration Association (or the rules of another neutral organization as agreed upon by the parties).
 - 3) Step 3. Arbitration. If Step 2 does not result in a mutually satisfactory resolution, arbitration administered by and in accordance with the applicable arbitration rules of the American Arbitration Association (or another neutral organization mutually agreed upon). The arbitrator may award any and all damages or other relief allowed for the claim in dispute by applicable federal or state law, including attorneys' fees and expenses if such attorneys' fees and expenses may be awarded for claims arising under applicable law. Unless (and to the extent) prohibited by the applicable law with respect to the issue in dispute, the decision of the arbitrator shall be final and binding, subject only to the right to appeal such decision as provided in the arbitration rules and applicable law.
- b) The procedures of this section are designed to afford individual members, benefit certificate owners, beneficiaries, payors and the Society a prompt, fair, and efficient means of resolving their individual disputes. Accordingly, no disputes may be brought forward in a representative capacity or on behalf of any "class" of persons, and the disputes of multiple members, benefit certificate owners, beneficiaries or payors (other than immediate family) may not be joined together for purposes of these procedures without the express written consent of (i) all members, benefit certificate owners, beneficiaries and payors affected thereby, and (ii) the President of the Society.

- c) The Society has established rules for handling all matters submitted under each step in the procedures outlined in this section. Those rules are incorporated by this reference and may be modified from time to time by the Board of Directors.

ARTICLE III

Lodges

Section 1 - Organization

- a) Lodges of the Society are the basic unit and the building framework of the Society generally constituted from members who live geographically consistent with the Lodge.
- b) The principal officers of a Lodge shall be understood to be President, Vice-President, Secretary and Treasurer.

Section 2 - Establishment

- a) Lodges may be organized through the efforts of the Home Office with the consent and approval of the Board.
- b) Organization of a Lodge shall be conducted in accordance with such regulations and directives prescribed by the Board.
- c) A new Lodge shall be at liberty to select its own name subject to approval by the Board.
- d) Newly-established Lodges shall be issued a charter by the Board.

Section 3 – Rights and Duties

- a) Lodges are largely self-governing and shall have the right to decide upon matters concerning their own Lodge within the provisions of the Laws of the Society.
- b) Lodges shall adopt and comply with the uniform Lodge Bylaws adopted by the Board of Directors and all other requirements adopted by the Board or Convention.
- c) Lodges may raise funds through events which are legal, social and within the bounds of the Society's consciousness of community, family and the Society's integrity.
- d) Lodges shall conduct regular meetings no less than once per month.

Section 4 - Merger

- a) If a Lodge is unable to elect officers, to properly conduct its affairs, or in any other respect is unable to properly perform its duties, the Board is authorized to order a merger with any Lodge it shall designate.
- b) Two or more Lodges may, by choice, merge into one Lodge upon compliance with the Lodge Bylaws and approval of the Board.

Section 5 – Charter Withdrawal

- a) The Board of Directors may withdraw the charter of a Lodge and disband it. All the Lodge's affairs, papers and assets shall be handled as directed by the Board, including freezing of assets when appropriate.
- b) The Lodge's assets shall be proportionately distributed to such Lodges where the members are transferred or used for such other charitable and fraternal purposes consistent with the purpose of Lodges as determined by the Board of Directors.

ARTICLE IV

District Councils

Section 1 - Establishment

- a) District Councils may be established and maintained for the purpose of coordination of activity and support of participating Lodges of the District Council.
- b) The Board shall have the right to establish new District Councils upon petition of participating Lodges or to disband existing District Councils which cease to serve the stated purpose.
- c) Lodges within a District Council may withdraw from participation in the District Council by submitting a written request for withdrawal that is approved by the Board.
- d) Lodges may become a participating Lodge of an existing District Council by submitting a written request to participate that is approved by the District Council and the Board.
- e) Lodges not participating in a District Council are nonetheless encouraged to coordinate activity, meet with, and cooperate with other Lodges in furtherance of the purposes of the Lodges and the Society.

Section 2 – Bylaws and Rules

Each District Council shall have the right to adopt its own bylaws and rules. Such bylaws and rules will become effective only upon approval by the Board. In case of conflict, the Society's Laws shall prevail.

Section 3 - Duties

District Councils shall serve the following purposes and duties:

- a) To maintain cordial relations among all participating Lodges in the District Council;
- b) To promote and support all forms of fraternal, charitable and membership activities within its jurisdiction;
- c) To cooperate with and assist Sales Representatives of the Society to serve the members and promote membership growth; and
- d) To conduct its affairs and activities in accordance with the Laws of the Society.

Section 4 – Finances

- a) District Councils may receive funding from the Home Office in accordance with policies adopted by the Society.
- b) Each District Council shall have the power to assess its participating Lodges to provide sufficient funds for its operations. Such assessments shall be made pro rata based on the number of benefit members in each such Lodge.
- c) District Councils may raise additional funds through events which are legal, social, and within the bounds of the Society's consciousness of community, family and the Society's integrity.
- d) Each District Council shall financially support and promote civic, community, charitable, and Society fraternal and membership activities.
- e) Proper accounting of funds shall be made annually by each District Council to the Home Office, and no subsequent year allocation shall be made until proper accounting is submitted for the previous year.

Section 5 - Disbanding

- a) A District Council may be disbanded by its own action or by order of the Board.
- b) In the event a District Council decides to disband or is disbanded by order of the Board, its Charter then shall be rescinded by action of the Board. The District Council's assets shall be distributed to participating Lodges of the District Council pro rata based on the number of benefit members in each such Lodge.

ARTICLE V
Regions and Regional Directors

Section 1 - Regions

- a) CSA Fraternal Life shall be comprised of up to eight (8) Regions as specified by resolution of the Convention. Each of the Regions shall elect one or more Regional Director(s) for a total of nine (9) elected Regional Directors.
- b) The Board of Directors shall be authorized to make changes in Regions and the number of elected Regional Directors for each region as shall be deemed necessary from time to time.

Section 2 - Regional Directors

- a) Election

Regional Directors and their Alternates shall be selected in a Delegate caucus meeting for each of the Regions. A single candidate (for each entitlement) of the Delegates' choice for Regional Director(s) and Alternate(s) will be placed in nomination at the Convention for election by the Convention delegation.

- b) Term of Office

- 1) The term of each Regional Director shall commence immediately following the Convention at which he was elected and shall continue for a period of four (4) years or until his successor shall have qualified and assumed office.
- 2) In the event that any Regional Director vacancy shall occur during the term, his Alternate shall be the successor.
- 3) In the event of a Regional Director vacancy where there is no Alternate available to serve, the Board of Directors may, in cooperation with the Region, fill the vacancy.

- c) Qualification

To be eligible for election as a Regional Director a candidate must:

- 1) Be an adult benefit member in good standing;
- 2) Not be or have been within five (5) years of election, an employee, field representative, sales agent or broker of the Society;
- 3) Not be a current director or officer of, or engaged in sales for any other life insurance company or fraternal benefit society;
- 4) Be capable of assuming the responsibilities as outlined herein and as established by the Society from time to time;

- 5) Meet all qualifications as required by the Insurance Code of Illinois and any rules promulgated by the Illinois Director of Insurance for fraternal benefit society directors,
 - 6) Have not been convicted of a felony or have any other criminal history other than matters determined insignificant by the Convention Governance Committee, such as a minor traffic violation;
 - 7) Have not been removed from office by the Society for cause;
 - 8) Have not reached age 76 by the date on which the election is held; and
 - 9) Meet such other qualifications as may be prescribed by the Convention, Board or applicable law.
- d) **Nomination of Directors.** Candidates seeking election for a Regional Director position must indicate their intention to seek election and submit information regarding their qualifications in accordance with the timelines and procedures established by the Board of Directors. The Board of Directors shall help identify and encourage well-qualified candidates to seek election as a Director. The Board of Directors shall review candidate information and may gather additional background information and shall submit the slate of candidates and qualification information to the Convention Governance Committee. The Convention Governance Committee shall determine eligibility for the candidates and provide the slate of eligible candidates and information regarding qualifications to the Delegates of each Region and to the Convention.
- e) **Removal from Office.** A Regional Director may be removed from office upon the Board of Directors reasonably finding any of the following:
- 1) He is unable to perform the duties of his office because of incapacity or disability.
 - 2) He has failed or refused to perform the duties and responsibilities of a Regional Director.
 - 3) He has engaged in conduct unbecoming a Regional Director.
 - 4) He has, without cause, missed two (2) consecutive regular Board meetings or failed to attend three (3) regular Board meetings during the course of a calendar year.
 - 5) He has changed residence to a location outside the Region from which he was elected or ceased to be a benefit member of the Society.
 - 6) He has breached a fiduciary duty owed to the Society, its members or beneficiaries;
 - 7) He has materially violated the Laws of the Society, any code of ethics or conflict of interest policy adopted by the Society, or any other policies adopted by the Convention or Board.

The Director whose status is under consideration shall not be entitled to vote on the question. Such action shall require a two-thirds (2/3) vote of the Board members excluding the Director whose status is under consideration. A Regional Director removed from office under this section shall not be eligible to again run for the position of Regional Director.

ARTICLE VI

Executive Officers

Section 1 - President

The President shall be appointed by the Board of Directors. The President shall serve as the chief executive officer of the Society, shall have general supervision and direction of the day-to-day business and affairs of the Society, and shall perform all duties incident to the position and such other duties as may be prescribed by the Board of Directors

from time to time. Subject to such rules and policies as may be prescribed by the Board of Directors, the President shall have authority to appoint and terminate such other Executive Officers, agents and employees and to delegate authority to them. The Board of Directors may remove the President by a two-thirds vote of all Directors, excluding the President, at a meeting called for that purpose.

Section 2 - Other Executive Officers

Other Executive Officers of the Society shall be appointed by the President, subject to confirmation as an Officer by the Board of Directors.

Section 3 – Reasonable Compensation

Reasonable compensation of the President shall be determined by the Board of Directors. Reasonable compensation of all Executive Officers other than the President shall be recommended by the President and approved by the Board of Directors. In its determination of reasonable compensation, the Board of Directors or a committee delegated authority for Executive Officer compensation shall take into account, among others, the services rendered by the Executive Officer, the performance of the Executive Officer, the performance of the Society, market and industry standards, and compensation paid to officers of similarly situated fraternal benefit societies.

ARTICLE VII

Board of Directors

Section 1 – Organization

The Board of Directors shall consist of up to eleven (11) members made up of nine (9) Regional Directors, the President of the Society and one (1) optional Board-appointed Director.

Section 2 – Appointed Director

The Board-appointed Director may be appointed by the Board of Directors for a one-year term of office and may be reappointed for successive terms. The Board of Directors may remove the Board-appointed Director from office for any reason by majority vote of the Board of Directors. Qualifications for the Board-appointed Director shall be as determined by the Board of Directors.

Section 3 – Chair

The Board of Directors shall elect a Chair from among its members. The Chair shall preside at meetings of the Board of Directors and perform such other duties as may be designated by the Board of Directors.

Section 4 – Other Board Officers

The Board of Directors may designate other Board officers and delegate authority to them.

Section 5 – Responsibility

The Board of Directors shall be the supreme governing body of the Society between regular meetings of the Convention. The Board of Directors shall have the authority to provide rules and regulations for the extension and development of the Society and shall have all other necessary and incidental powers and duties to carry out the objectives of the Society, and as provided in the Articles of Incorporation and Bylaws and the laws of the State of Illinois.

Section 6 – Meetings

- a) **Regular Meetings.** The Board of Directors shall meet at least quarterly at such dates and times as set by the Chair or the Board of Directors.
- b) **Special Meetings.** Special meetings of the Board of Directors may be called by the Chair or on the written request of any three (3) Directors. Notice of a special meeting shall be transmitted to each Director at least seven (7) calendar days before the date of the meeting by mail or electronic means. If mailed, such notice shall be deemed to be delivered three days following deposit in the United States mail so addressed with postage prepaid. If sent by electronic means, such notice shall be deemed to be delivered upon transmission.

Section 7 - Indemnification

The Society shall completely indemnify to the full extent, now or subsequently permitted by law, any Director, Executive Officer or employee who was, is, or has been threatened to be made a party to any contemplated, pending, or completed action:

- a) Wherever the action may be brought;
- b) Whether civil, criminal, administrative, or investigative;
- c) Brought because that person is or was a Director, Executive Officer or employee; and
- d) Against all expenses, attorneys' fees, judgments, costs, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the investigation, defense, handling, negotiation, and settlement of any action, suit or proceeding.

The right of indemnification shall not be deemed exclusive of any right to which Directors, Executive Officers or employees may be entitled.

A Director, Executive Officer or employee shall not be indemnified or reimbursed for any such amount if in relation to such action, suit or proceedings he shall finally be adjudged to be or have been guilty of breach of duty as a Director, Executive Officer or employee or in respect to such matter there has been made a compromise settlement, unless in either such case the person acted in good faith for a purpose the person reasonably believed to be in or not opposed to the best interests of the Society and, in a criminal action or proceeding, in addition, had no reasonable cause to believe that his conduct was unlawful. The determination whether the conduct of such person met the standard required to justify indemnification and reimbursement in this section may only be made by the Board of Directors by a majority vote of a quorum consisting of persons who were not parties to such action, suit or proceeding.

The Society shall maintain insurance on the Directors and Executive Officers against liabilities for acts of omissions in the performance of their duties as determined by the Board of Directors.

Section 8 – Quorum and Voting

A majority of the Board shall constitute a quorum, but a smaller number may adjourn a meeting of the Board for lack of a quorum. 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, unless the act of a greater number is required by the Articles of Incorporation, Bylaws or applicable law.

Section 9 – Electronic Communications

The Board of Directors and any committee or sub-committee of the Board of Directors, or any other meeting of the Society at which written minutes are kept, except the Convention, may meet by telephone conference or other means of communication that allows all participants to simultaneously communicate with each other.

Section 10 – Action Without a Meeting

Any action required or permitted to be taken by the Board of Directors or any committee or sub-committee of the Board of Directors may be taken without a meeting by written consent of all of its members then in service. A written consent under this provision shall have the same force and effect as a vote taken at a meeting.

Section 11 – Report

The Board of Directors shall prepare a report of its acts and doings since the preceding Convention. The reports shall be submitted to the Convention by the Chair.

Section 12 – Committee Establishment

The Board of Directors may appoint committees of the Board of Directors to have such authority as the Board of Directors may delegate. Each committee shall consist of three or more Directors. A majority of the members of each committee shall constitute a quorum for the transaction of all committee business.

Section 13 – Audit Committee

The Board of Directors shall appoint an Audit Committee. The Audit Committee shall be composed and shall operate in accordance with Illinois law and Illinois insurance regulations. The Audit Committee shall:

- a) Have a working knowledge of financial matters;
- b) Be responsible for the appointment and oversight of the independent auditors of the Society;
- c) Be responsible for oversight of the audited financial statements of the Society; and
- d) Be responsible for any other duties required by the laws or insurance regulations of the State of Illinois, and such other duties as assigned to it by the Board.

Section 14 – Orientation and Education

Each newly elected or appointed Director shall participate in a board training or orientation program that includes information regarding board duties and responsibilities within six months of his election or appointment. If the Director shall fail to meet this requirement the Director shall be suspended from service until the requirement has been completed. Each Director shall pass Life Office Management Association (LOMA) course 280 or its LOMA equivalent within one year of his election or appointment. If the Director shall fail to meet this requirement, the Director shall be ineligible for reelection to the Board, either as a Board Member or an Alternate.

Section 15 – Self-Assessment

At least annually the Board of Directors shall conduct a self-assessment.

Section 16 – Disqualification

No individual may serve as a Director, Executive Officer or any other officer if they have been convicted of a felony.

ARTICLE VIII

Convention

Section 1 – Organization

The Convention is the highest legislative body of the Society and shall be convened once every four (4) years. Any mention of a Convention herein shall incorporate and include a virtual Convention, should circumstances warrant, as determined by a 2/3 majority vote of the Board of Directors.

- a) Delegates

The Convention shall be composed of the Directors and elected Delegates.

- 1) Directors shall automatically be Convention Delegates. Delegate entitlement of the Lodge of such automatic Delegate shall not be affected by this provision.
- 2) Delegates and Alternates are elected by the Lodges in accordance with the timelines and procedures specified by resolution of the Convention. Delegate entitlement of a Lodge is based on the benefit membership formula established by resolution of the Convention. The elected Delegates shall constitute a majority in number and shall not have less than two-thirds of the votes of the Convention.
- 3) Adult Benefit Member count shall be established by Home Office as of October 1 preceding the election.
- 4) Only those who have been adult benefit members of the Society for not less than one (1) year are eligible to be elected as Delegates or Alternates.

- 5) Elected Alternates shall have no official status unless the elected Delegate is unable to attend the Convention. The Alternate shall assume all duties of a Delegate if that Delegate is unable to attend the Convention. Once seated and qualified, he then becomes the permanent Delegate.
 - 6) Each elected Convention Delegate shall hold office from the date they are seated and qualified at the Convention until the following Convention.
 - 7) Each Convention Delegate shall have one vote. No Delegate may vote by proxy.
- b) Convention Committees. The Convention may appoint committees to perform duties as delegated to the committee by the Convention. Such Convention committees shall include:
- 1) Governance Committee
 - 2) Finance Committee
 - 3) Other committees as approved by the Convention.

Section 2 – Procedures

The Convention shall be conducted in accordance with the procedures established by resolution of the Convention.

Section 3 – Rights

The Convention:

- a) Shall elect Regional Directors in accordance with the procedures established by resolution of the Convention and determine reasonable Directors' fees based on the Finance Committee's recommendations which shall include an analysis of market and industry standards and directors' fees of similarly situated organizations;
- b) May change, amend, and revise the Articles of Incorporation and Bylaws of the Society and resolutions of the Convention as reviewed, prepared, and presented by the Convention Governance Committee; and
- c) May take other actions consistent with the purposes or the best interests of the Society and not in conflict with any applicable laws or regulations.

Section 4 – Special Sessions

A Special Session of the Convention may be called by a two-thirds (2/3) majority vote of the full Board of Directors when the Board of Directors deems it advisable or necessary to resolve any situation which only a Convention could resolve.

The Board of Directors is authorized and empowered to issue such directives as to the convening of the Special Session as it deems appropriate. Mail balloting is a permissible form of the Special Session.

- a) Delegates, or any Alternates, seated and qualified as Delegates at the preceding Regular Convention who remain in office shall be the Delegates for any called Special Session.
- b) Agenda and deliberations will be confined to the specific purposes for which the Special Session was called and the rules of order of the preceding Convention shall govern.

For a Special Session conducted by mail ballot in lieu of an in-person Special Session, the Board of Directors may send a ballot to all of the Delegates for a Special Session that may include one or more resolutions that could be considered and adopted at a Special Session. A resolution shall be deemed adopted upon receipt of ballots with votes in favor of the resolution equal to the number of votes that would have been needed to adopt the resolution at a Special Session at which all Delegates were present.

Section 5 – Quorum and Voting

A majority of the Delegates entitled to attend any Regular Convention or Special Session when assembled, shall constitute a quorum for the transaction of all business, but a smaller number may adjourn the Convention or Special Session for lack of a quorum. The act of a majority of the Delegates present at a Convention or Special Session at which a quorum is present shall be the act of the Convention, unless the act of a greater number is required by the Articles of Incorporation, Bylaws or applicable law.

ARTICLE IX Official Publication

Section 1 – Name

The Society shall issue an official publication known as *The CSA Journal*. Any notice or report required by law to be given to the members may be given through this official publication.

Section 2 – Publishing

- a) The make-up of *The CSA Journal* shall be under the direction of the Journal Editor.
- b) The Journal Editor shall adhere to format and policies established by the Board of Directors.
- c) *The CSA Journal* shall be issued on a regular basis.
- d) One copy shall be sent to each adult benefit member household.

ARTICLE X Funds of the Society

The Society shall maintain funds for the payment of death and other benefits and for the accumulation of reserves on certificates as provided by law and/or the benefit certificates, and for the expense of management and extension of the Society. The Board of Directors shall have supervision over the operations of the funds of the Society which shall be invested in accordance with the investment policies adopted by the Board and all applicable laws.

ARTICLE XI Insurance Provisions

Section 1 – Premiums

Premium rates on all certificates and riders shall be established or levied by the Society as recommended by its actuary at the time of issue.

Section 2 – Reserves and Values

Reserves on all certificates issued by the Society and non-forfeiture, cash and loan values shall be computed in accordance with the mortality table, rate of interest and valuation method prescribed in each certificate, provided that such higher reserves may be maintained as are recommended by the Society's actuary.

Section 3 – Impairment

If the reserves as to all or any class of certificates issued by the Society become impaired, the Board may require that there be paid by the certificate owner, the amount of his equitable proportion of such deficiency. If payment shall not be made, the amount shall be charged as indebtedness against his certificate together with interest not to exceed the rate specified for certificate loan under the certificate, compounded annually. In lieu of payment or in combination thereof, the certificate owner may accept a proportionate reduction in benefits under the certificate.

Section 4 – Beneficiaries

- a) The beneficiary or beneficiaries designated to receive the certificate benefits shall be a person, persons, entity, or interests qualified to be named beneficiaries under the provisions of the statutes pertaining to fraternal benefit societies of the state in which the member resides.
- b) A certificate owner shall have the right to change the beneficiary or designate that the beneficiary designation be irrevocable. Such beneficiary change shall be in writing and signed by the certificate owner in accordance with procedures and forms in use by the Society. A change shall take effect as of the date of receipt by the Society, provided that the request for change is received by the Society during the lifetime of the insured. A change in beneficiary shall be null and void where the Society has made payment of the certificate benefits.
- c) If the certificate owner fails to designate a lawful beneficiary, the certificate benefits shall be paid out per stirpes to the family members of the insured in the following succession, as applicable, (i) surviving spouse; (ii) children; (iii) grandchildren; (iv) parents; (v) brothers and sisters; (vi) grandparents. In the event the Society is unable to locate any such living family members, the certificate benefits shall be paid to the estate of the insured.

Section 5 – Open Contract

The certificate of membership and insurance or annuity, together with any riders or endorsements attached to it, and the application, the declaration of insurability (if any) signed by the applicant, the Articles of Incorporation and Bylaws of the Society and all amendments to them, constitute the entire contract when it is issued. Any subsequent changes, additions or amendments to the Articles of Incorporation or Bylaws shall be binding upon the applicant member, certificate owner, 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 certificate when it was issued.

ARTICLE XII

Amendments to Articles of Incorporation and Bylaws

Section 1 – Procedures

The Articles of Incorporation and Bylaws of the Society may only be amended at a Regular Convention or at a Special Session, including a Special Session by mail ballot, called for that purpose:

- a) An affirmative vote by a simple majority of the Convention Delegates present and voting is necessary for the adoption of any amendment to the Articles of Incorporation or Bylaws.
- b) Amendments to the Bylaws may be proposed by the Board of Directors or any benefit member or Lodge and shall be submitted in writing to the President no less than ninety (90) days prior to the Convention. All proposed amendments that are submitted must refer to the page number, article, section, and item being amended or added.
- c) The President shall promptly submit all proposals to the Board of Directors and to the Convention Governance Committee which shall review such proposed amendments and provide recommendations to the Convention.
- d) If this format is not adhered to, the Convention Governance Committee may decline to act upon the proposal and such proposal shall not be submitted to the Convention.

Any amendments to the Articles of Incorporation or Bylaws shall take effect thirty (30) days after approval by the Illinois Department of Insurance, unless a later effective date is provided.

Section 2 – Compliance

If any Bylaws approved by the Convention are deemed not to be in compliance with applicable law or in conflict with another portion of the document or the Articles of Incorporation, the Convention Governance Committee shall review

the specific sections and the issues identified, and shall make recommendations to the Board of Directors to remedy such issues. The Board of Directors may amend the Bylaws to remedy the issues presented by the Convention Governance Committee by a two-thirds (2/3) majority vote.

Approved 10/21/2021
State of Illinois
Department of Insurance
by: Dan Pugh Smith KE
Acting Director of Insurance