

# Bylaws of

## CATHOLIC LIFE INSURANCE

### ARTICLE I

#### Name

Par. 1 This Fraternal Benefit Society, a corporation, shall be known and shall conduct business as "Catholic Life Insurance," hereinafter referred to as "the Society," with its Home Office and principal place of business located in San Antonio, Bexar County, Texas.

### ARTICLE II

#### Purpose of the Society

Par. 1 To unite fraternally, Catholics and any other persons willing to support the principles and objectives of the Society. To foster and promote the holy Catholic faith and to promote the intellectual and physical wellbeing of its members and their families. To establish reserves out of which and upon satisfactory evidence of death of a member, a death benefit shall be paid in accordance with the terms, conditions, and limitations of the benefit certificate. To enter into contracts in such other forms and grant such other benefits as may be authorized by the Board of Directors in accordance with these bylaws and in keeping with the laws relating to fraternal benefit societies.

### ARTICLE III

#### Organization of Branches

Par. 1 The Society shall operate through branches chartered by the Board of Directors of the Society, hereinafter referred to as "the Board."

Par. 2 All branches shall be under the jurisdiction of the Board and shall operate and conduct business in accordance with the laws and rules of the Society and be governed thereby.

Par. 3 Each branch shall elect officers consisting of a President, one or more Vice-Presidents and a Secretary/Treasurer, at a meeting of the branch members, and when elected, said officers shall serve for a period of two years. Each branch may have a Spiritual Advisor, who is not obligated to be a member of the Society.

Par. 4 The affairs of the branch shall be managed by an Administrative Committee consisting of the elected Branch Officers.

Par. 5 The branch shall have regular meetings with the branch members, and in no event shall said meetings be less than once a year.

Par. 6 The branch shall engage in religious, benevolent, or educational activities in keeping with the purpose of the Society, as determined and approved by the membership, provided, however, not more than 50% of the branch's annual income or 25% of the branch's total assets (whichever is greater) shall be allocated for these endeavors or activities. An annual written report of branch

activities shall be furnished to the Fraternal Administrator of the Society not later than 60 days following the close of each calendar year.

Par. 7 Each branch shall elect delegates to the Convention of the Society, based on the number of adult members in good standing of record on the 31st day of December of the year preceding the Convention. Alternate delegate(s) shall also be elected from its branch membership in accordance with this paragraph. The names of the elected delegate(s) and alternate delegate(s) shall be certified by the Branch President and Branch Secretary/Treasurer and submitted to the Secretary of the Society not later than 60 days preceding the Convention. These delegates shall serve between Conventions at any specially called District/Region meetings.

Par. 8 The convention shall consist of 250 delegates. All Directors, the President and Vice Presidents of the Society, and such members of special and standing committees as determined by the Board of Directors, shall be delegates to the Convention, however, the total number of these delegates shall not exceed 25. Branch representation shall consist of two delegates from each active branch in good standing. The remaining delegates shall be based on a pro-rata formula of adult members in each branch.

Par. 9 The President of the Society shall have supervision and control over all local branch officers. He shall have the authority to remove from office such branch officers who fail to properly perform the duties of said office or whose actions are deemed contrary to the best interest of the Society or to the local branch. Should a removal occur, then another member of such branch shall be appointed by the President of the Society to fill the vacancy.

Par. 10 Failure of the branch to hold regular meetings, or its failure to operate in accordance with the rules, regulations, bylaws or fraternal spirit of the Society, shall be grounds for the President of the Society to suspend the charter of such branch for a period of 90 days. Failure of said branch to correct the deficiency within the suspension period shall be grounds for revocation of the charter of such a branch.

Par. 11 Should the branch become inactive, show no growth, fail to correct the deficiency leading to the earlier suspension within the suspension period, or for such other reasons deemed in the best interest of the Society, the President of the Society with the advice and consent of the Board of Directors may upon written notice to the elected branch officers revoke the branch charter and dissolve the branch.

Par. 12 Notice of branch meetings and election of officers shall be given to the branch membership at least ten days prior to such meeting.

**ARTICLE IV**  
**Membership**

Par. 1 Any Catholic, or any other person willing to support the principles and objectives of the Society and who has attained the age of 18 years may be eligible for adult membership in the Society.

Par. 2 Any Catholic child or any other child willing to support the principles and objectives of the Society over 14 days old and under the age of 18 years may be eligible for junior membership in the Society.

Par. 3 Each application for junior membership must be signed by a proposer, who shall be a parent, relative, guardian, or adult person having an insurable interest.

Par. 4 Junior members shall have no voice or vote in the conduct, affairs, or management of the branch or the Society.

Par. 5 Junior members attaining the age of 18 years shall automatically become adult members and shall have all rights of adult membership.

Par. 6 Junior members shall belong to the same branch as their proposer, parent, or legal guardian.

Par. 7 Any member of a group subscribing to products and/or services of the Society shall be eligible for associate membership in the Society. Associate members shall have no voice or vote in the conduct, affairs, or management of the Society, nor shall they be eligible for full benefits available to adult members or to participate in any branch activities.

**ARTICLE V**  
**Board of Directors**

Par. 1 The affairs of the Society shall be managed under the direction of the Board of Directors, pursuant to the laws of the State of Texas, the Board of Directors Duties, Responsibilities and Corporate Governance Annual Disclosure and these bylaws.

Par. 2 A Director shall be a Catholic, member of the Society in good standing for a minimum of two years and shall continuously reside in and be a member of the District/Region that he represents. A Director shall not be an agent, representative, employee, or an Officer or Director of another life insurance organization on a local, state, or national level. Anyone who will have attained age seventy-six (76) by the date of the next Convention shall be ineligible to be nominated for or serve as a Director of the Society. A sitting Director who reaches their seventy-sixth (76<sup>th</sup>) birthday during their term shall be permitted to serve out their current term. No person who has served as an appointed Board member pursuant to Article V, Paragraph 7 of these Bylaws shall be eligible to serve as an elected Board member.

Par. 3 No Director shall be a sales representative or employee of the Society, or the spouse of a sales representative or employee of the Society, or receive any monetary remuneration for goods or services from the Society except Board fees, per diem and reimbursement for expenses. No Director shall be related within the 2<sup>nd</sup> degree of affinity or consanguinity to any other Director or Home Office Officer of the Society. Directors will receive compensation for fees and expenses as recommended by the Convention Compensation Committee subject to approval by the Convention delegates. A two-year period must elapse before a past employee of the Society or General Agent may be eligible to run for Director.

Par. 4 The Board shall meet in regular session at least once during each quarter of every calendar year. Special meetings of the Board may be called by the Chairman or by written request of three Directors, filed with the Secretary of the Board. A written notice of the next Board Meeting shall be mailed to each member at least ten days prior to the date of the meeting. Six members of the Board shall constitute a quorum for the transaction of all business.

Par. 5 The Board may propose changes to the bylaws which shall be submitted to the Convention for adoption or in the event of an emergency, directly to the organized branches in good standing.

Par. 6 The Chairman of the Board and the President with the consent of the Board, may appoint a Mortgage Loan Committee, an Investment Committee, an Insurance Advisory Committee, an Audit, Risk & Compliance Committee, a Corporate Governance Committee, a Compensation Committee, an Annuity/Insurance Committee, a Committee on Religious and Benevolent Endeavors, and such other committees as may be deemed necessary and proper to the operation of the Society. The President and the Chairman of the Board shall be ex-officio members of all appointed committees.

Par. 7 The Board of Directors shall be comprised of a combination of six (6) elected and two (2) appointed members. No person who has served as an appointed board member shall be eligible to serve as an elected board member. No person who has served as an elected board member shall be eligible to serve as an appointed board member. A Director shall be nominated by his District/Region Caucus for the position of Director. The adoption by the Convention of the District/Region Caucus report shall constitute the election of the District/Region nominee to the Board. A Director and his spouse may serve a total of two four-year terms during their lifetime, in addition to any partial terms served, after which neither of them may serve as a Director of the Society. The term of a Director is four years, until the 2020 elections when the Directors of District 3 and District 5 shall be elected to two-year terms. This shall be the only time when a Director is elected to serve a term of other than four years and is being done in preparation for the Society's conversion from eight Districts to six Regions in 2022. The Directors of District 1 and District 7 elected in the 2020 elections shall serve terms of four years.

Par. 8 At the 2022 Convention, the Society will convert from eight Districts to six Regions. In order to facilitate this conversion, former District 2, 4, 6, and 8 will become Regions 1, 2, 3, and 4, respectively. The Directors elected at the 2022 Convention to these positions will serve four-year terms. Additionally and simultaneously, former District 1 will become Region 5, and former District 7 will become Region 6, with the current Directors continuing to serve through the 2024 Convention. The Directors elected to serve Regions 5 and 6 at the 2024 Convention shall serve four-year terms.

Par. 9 The names of prospective Directors must be submitted to the Secretary of the Society 60 days prior to the Convention or 30 days prior to a special District/Region Caucus meeting pursuant to Article V, Par. 12, along with an application. Each application will be reviewed by a committee comprised of the

Directors not standing for reelection during that Convention year. The application and committee report will be sent to the delegates of the respective District/Region 30 days prior to the Convention or 15 days prior to a special District/Region Caucus meeting called in accordance with Article V, Par. 12, for their consideration.

Par. 10 Immediately following the regular Convention, the Directors shall meet and appoint a chairman, vice-chairman and secretary from among their own number to preside at their meetings.

Par. 11 The Board shall appoint two additional voting members to the Board. These appointments may be made to address an area of expertise that the Board feels is important to maintain optimal Board performance. This appointment shall be for a term of two years and is limited to a maximum of four terms. No person who has served as an elected Board member pursuant to Article V, Paragraph 7 of these Bylaws shall be eligible to serve as an appointed Board member. The Board shall appoint a Spiritual Advisor who may serve two consecutive four year terms and such other Honorary Spiritual Advisors as the Board may deem appropriate.

Par. 12 The Board by a two-thirds vote of the entire Board may remove for cause a Director at a special meeting of said Board called for that purpose after a full hearing. Cause shall include incompetence, neglect of duty, conflict of interest, failure to attend two regular meetings during a calendar year, or for conduct deemed detrimental to the best interest of the Society. In the event of the removal, resignation or death of a Director, a new Director shall be elected by a special District/Region Caucus called by the Board within 60 days of such event, over which the Chairman of the Board of the Society shall preside.

Par. 13 The Board has the authority to acquire or merge operations with another fraternal.

#### **ARTICLE VI Officers**

Par. 1 The Board shall appoint a President who shall be Catholic. He shall also be the Chief Executive Officer and member of the Board of the Society and be responsible solely to the Board. All other officers and employees shall be under the supervision and direction of the President.

Par. 2 The President shall preside at all Conventions and shall perform such other duties as may be directed by the Board but not inconsistent with the bylaws.

Par. 3 The salary and compensation of the President shall be determined by the Board.

Par. 4 The positions and compensation of subordinate officers shall be as the President deems necessary and appropriate, including but not limited to one or more Vice-Presidents, Assistant Vice-Presidents, a Secretary, and a Treasurer, each to be confirmed by the Board from the recommendations of the President.

Par. 5 No one may be an officer who is not a member of the Society in good standing. Nor shall any officer be an agent, representative, or employee of any other life insurance company or similar fraternal organization.

#### **ARTICLE VII Convention**

Par. 1 The regular Convention of the Society shall be held biennially.

Par. 2 All Directors, the President and Vice-Presidents of the Society, such members of special and standing committees as determined by the Board of Directors, and all certified local branch delegates elected in accordance with these bylaws shall be delegates to the regular Convention of the Society. Each delegate must be a member in good standing.

Par. 3 Reimbursement for delegates attending the Convention shall be fixed by the Board.

Par. 4 Delegates representing a majority of local branches shall constitute a quorum for the transaction of all business of the Convention.

Par. 5 The Society shall have the authority to amend its bylaws by:

- (a) Affirmative vote of two-thirds of the delegate members present and voting at a Convention Assembled, provided such proposed amendment(s) shall have been submitted in accordance with the provisions of these bylaws; or
- (b) Affirmative vote of not less than three-fourths of the organized branches in good standing who shall have considered such proposed amendment(s) at a meeting of the branch membership.

Par. 6 No proposed amendment(s) to the bylaws of the Society shall be presented or considered by the Convention except:

- (a) Proposed amendment(s) submitted by action of the Board or by a Special Bylaws Committee appointed by the Board; or
- (b) Proposed amendment(s) recommended by a two-thirds vote of the delegates present at a regularly scheduled District/Region meeting of any District/Region, which shall have been received by the Secretary of the Society not less than 60 days preceding the Convention.

Par. 7 Copies of all proposed amendment(s) to the bylaws to be considered at the next Convention shall be sent to all active branches at least 30 days prior to the beginning of the Convention.

Par. 8 Any amendment(s) to the bylaws adopted by the Convention shall take effect upon adjournment of that Convention.

Par. 9 The Convention shall not have the authority to adopt any resolution or direct any action in conflict with the State or Federal Government and in the event of a conflict, that part of an adopted resolution shall be deleted from the resolution.

Par. 10 All Convention delegates within their designated District/Region shall meet in a District/Region Caucus during each regular Convention of the Society. The time and place of such meetings shall be designated by the Convention program.

Par. 11 All District/Region Caucus meetings shall be conducted by the prevailing Director as Chairman. The

Chairman shall conduct an election for a temporary Chairman to conduct the election procedure of the District/Region nominee for Director. The temporary Chairman shall give the election report of the Caucus to the Convention. After the election, the chair is resumed by the original Chairman of the District/Region.

Par. 12 The District/Region Caucus shall be conducted according to parliamentary procedures and the following order of business: call to order; opening prayer; roll call of District/Region's Convention Delegates; report of the Director; election of the District/Region's nominee for Director of the Society (if applicable); any other pertinent business; adjournment; and closing prayer.

Par. 13 In the event the District/Region's nominee for Director shall not have been adopted by the Convention, the District/Region Caucus shall be reconvened immediately and another candidate shall be nominated who shall be acceptable to the Convention.

Par. 14 All meetings and proceedings of the Society and of its subordinate branches, and of all committees thereof, shall be conducted according to parliamentary procedure and Robert's Rules of Order, except when in conflict with these bylaws, in which case these bylaws shall control.

Par. 15 Should the Board of Directors determine that the Convention or District/Region Meetings cannot be held in person, the Board may declare that the business of the Convention or District/Regions may be conducted through the U.S. Mail, telephone, virtual access or any combination of these three options.

### **ARTICLE VIII Arbitration**

Par. 1 The purpose of this article is to provide present and future certificate owners or their beneficiaries with an opportunity to have a fair resolution of their rights and interest in a certificate without the expense and delay of formal legal proceedings.

Par. 2 This procedure shall apply to all claims certificate owners or their beneficiaries have or claim to have of any nature against the Society or any of its directors, officers, employees, agents, independent selling agents, branch officers or delegates whether now accrued or arising in the future unless prohibited by law.

Par. 3 If a certificate owner or a beneficiary has or claims to have a dispute with the Society or any of its directors, officers, employees, agents, independent selling agents, branch officers or delegates, they shall contact the Corporate Secretary who shall arrange for the matter to be reviewed by the appropriate official of the Society.

Par. 4 If the matter is not resolved at this level, either the certificate owner or their beneficiaries or the Society may submit the matter for mediation and binding arbitration to be administered by and in accordance with the applicable rules of the American Arbitration Association or other mutually agreed upon organization.

Par. 5 The arbitration may award any damages or other relief allowed by the applicable law, excluding attorney fees unless required by applicable law. As to the matter in dispute, unless prohibited by the applicable law, the decision of the arbitration shall be final and binding, subject to the

right to appeal such decision as may be provided by applicable law.

Par. 6 No legal proceeding shall be filed against any of the above mentioned individuals until the mediation and binding arbitration herein provided for has been exhausted and then only if applicable law does not recognize the arbitration to be final and binding on the parties.

Par. 7 The sole and exclusive venue for any and all proceedings pursuant to Article VIII, including any subsequent litigation, shall be Bexar County, Texas.

### **ARTICLE IX Indemnification and Fidelity Bonds**

Par. 1 The Society shall indemnify any person who is or was a director, officer or employee against liability for acts or omissions in the performance of their duties. The Society shall also indemnify any person who is or was serving at the request of the Society as a director, officer or trustee of another corporation, partnership, joint venture, trust or other enterprise, or any director, officer or employee who is or was serving in a fiduciary capacity with regard to any employee benefit plan, against liability for acts or omissions in the performance of their duties.

Par. 2 The Society may purchase and maintain insurance on behalf of an individual who is an employee, agent, director or officer of the corporation against liability asserted against and incurred by the individual in his or her capacity as an employee, agent, director or officer, or arising from his or her status as an employee, agent, director or officer, regardless of whether the Society is required or authorized to indemnify or allow expenses to the individual against the same liability. The amounts of such insurance shall be determined by resolution of the Board.

Par. 3 The Society shall maintain fidelity bonds on the officers and employees as determined by resolution of the Board.

### **ARTICLE X Section 885.311 Deficiency Payments**

Par. 1 If the Society's reserves for any class of the Society's benefit certificates become impaired, the Convention or Board may require the certificate holders to pay the Society an equitable proportion of the deficiency as determined by the Convention or Board.

Par. 2 If a holder of a benefit certificate does not pay the Society the amount determined under Article X Paragraph 1, the holder, in a manner determined by the Society, may elect to accept:

- (a) the amount determined under Article X Paragraph 1 as an indebtedness against the certificate, with the amount drawing interest at a rate that does not exceed the rate specified for a certificate loan under a certificate that has cash value;
- (b) a proportionate reduction in the benefits payable under the certificate; or
- (c) a combination of the limitations on the certificate described by Article X Paragraph 2 (a) and 2 (b).

Par. 3. The Society may determine a presumed election for a holder of a benefit certificate under Article X Paragraph 2 if the holder fails to make an election.