

COPY

DO NOT STAPLE

State of Wisconsin
Department of Financial Institutions
Division of Corporate and Consumer Services



Sec. 181.0202
Wis. Stats.

ARTICLES OF INCORPORATION – NONSTOCK CORPORATION

(NOTE: Do not use this form for organizing a for-profit business corporation. Use Form 2)

Executed by the undersigned for the purpose of forming a Wisconsin nonstock corporation under Ch. 181 of the Wisconsin Statutes, repealed and recreated by 1997 Wisconsin Act 79:

Milwaukee Excellence, INC.

Article 1. Name of the corporation: _____
(Must include "Inc." or similar word. See Instructions)

Article 2. The corporation is organized under Ch. 181 of the Wisconsin Statutes.

Article 3. Name of the initial registered agent: Maurice Lovell Thomas

Article 4. Street address of the initial registered office: (The complete address, including street and number, if assigned, and ZIP code. P O Box address may be included as part of the address, but is insufficient alone.)

710 S. 3rd St.
Apt. 313
Milwaukee, Wisconsin 53204

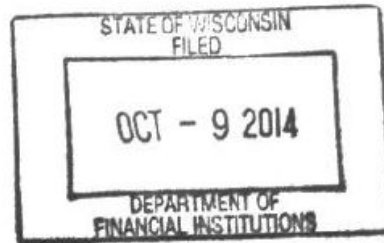
Article 5. Mailing address of the initial principal office: _____

710 S. 3rd St. Apt. 313 Milwaukee, Wisconsin 53204

Article 6. (Select and mark (X) one of the statements below)

The corporation will have members. OR The corporation will not have members.

(OPTIONAL) Article 7. Name and address of the initial directors (minimum of three):



FILING FEE - \$35.00 SEE instructions, suggestions, and procedures on following pages.

DFI/CORP/102(R02/14) Use of this form is voluntary.





For Office



State of Wisconsin
Department of Financial Institutions

Endorsement

ARTICLES OF INCORPORATION - Ch. 181

MILWAUKEE EXCELLENCE, INC.

Received Date: 10/6/2014

Filed Date: 10/9/2014

Filing Fee: \$35.00

Entity ID#: M090304

Total Fee: \$35.00

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **NOV 16 2015**

MILWAUKEE EXCELLENCE INC
PO BOX 989
MILWAUKEE, WI 53201

Employer Identification Number:
47-4978181
DLN:
17053279304045
Contact Person:
DAVID L. SLAUGHTER ID# 31188
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
170(b)(1)(A)(ii)
Form 990/990-EZ/990-N Required:
Yes
Effective Date of Exemption:
October 6, 2014
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.


If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

MILWAUKEE EXCELLENCE INC

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey I. Cooper', written in a cursive style.

Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements

**Bylaws
of
Milwaukee Excellence, Inc.**

(a Wisconsin Non-stock Corporation)

INTRODUCTION – NAME AND PURPOSE

The name of the organization that is the subject of these Bylaws is Milwaukee Excellence, Inc. (“Corporation”). The Corporation is a nonprofit organization incorporated on October 6, 2014 as a nonstock corporation under the laws of the State of Wisconsin. The Corporation is organized exclusively for educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). To the extent consistent with the above general purposes, the specific purpose of the Corporation shall be to operate a charter school pursuant to Chapter 118 of the Wisconsin Statutes. Through rigorous academics and character education essential for success, Milwaukee Excellence Charter School educates 6th through 12th grade students to excel within and graduate from four-year colleges and to pursue the professions of their choice.

ARTICLE I. OFFICES

- 1.01. Principal Office. The Corporation may have such principal and other offices, either within or without the State of Wisconsin, as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.
- 1.02. Registered Office. The address of the registered agent of the Corporation required by Section 181.0501 of the Wisconsin Statutes to be maintained in the State of Wisconsin may be, but need not be, identical with the address of the principal office of the Corporation in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II. BOARD OF DIRECTORS

- 2.01. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors (“Board”). The Board is responsible for overall policy and direction of the Corporation. Subject to the requirements of Wis. Stats. Section 181.0850, the Board may delegate to such committees, advisory councils or other groups as it shall create or to any person the Board deems qualified, any of its powers that the Board deems appropriate. Ultimate responsibility for the Corporation remains with the Board, so it must ensure proper due diligence and accountability when powers are delegated to committees and other groups or individuals.
- 2.02. Number, Tenure, Qualifications and Election. The number of Directors of the Corporation shall be not less than seven (7). Directors shall serve a term of three (3) years from the date of their appointments, or until their successors are seated. A full three-year term shall be considered to have been served upon the passage of three (3) annual meetings. After election, the term of a Director may not be reduced, except for cause as specified in these by-laws. No Director shall serve more than two (2) consecutive terms. Directors shall serve staggered terms to balance continuity with new perspective. Board members shall be sought who reflect the qualities, qualifications and diversity determined by the Board delineated in the Job Description of the Board of Directors. The Milwaukee Excellence nominating committee, known as the Governance Committee, shall present a slate of

potential Directors and Officers for election by the Board of Directors. This slate shall be presented at the annual meeting of the Board.

- 2.03. Resignation. A Director may resign at any time by filing a written resignation with the Chair of the Board.
- 2.04. Removal. The Board may remove any Officer or Director by a majority vote of the entire Board of Directors at any regular or special meeting of the Board, provided that written notice of the reason or reasons for proposed removal shall have been delivered in accordance with Section 2.09 below to all Directors (including the Officer or Director proposed for removal) at least seven (7) days before the meeting. This statement shall be accompanied by a notice of the time when, and the place where, the Board is to take action on the removal. The Officer or Director shall be given an opportunity to be heard and the matter considered by the Board at the time and place mentioned in the notice.
- 2.05. Vacancies; Additional Elections. The Board is not required to fill a vacancy created by the removal or resignation of a Director, unless such vacancy will cause the number of Directors to be less than the minimum specified in these By-laws. An election to fill a vacancy or to increase the number of Directors may be held from time to time at regular or special meetings at the discretion of the Board. Written notice of the proposed election and the slate of candidates must be given to all Directors in advance of any meeting at which an election is to be held. The minimum vote required to elect a new Director or fill a vacancy shall be the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present.
- 2.06. Member of the Board of Directors:
- (a) Shall receive no payment of honoraria, excepting reimbursement for expenses incurred in performance of voluntary Milwaukee Excellence activities in accordance with Corporation policies.
 - (b) Shall serve the Corporation with the highest degree of undivided duty, loyalty, and care and shall undertake no enterprise to profit personally from their position with the Corporation.
 - (c) All participants in Board work are bound by the Code of Conduct, Conflict of Interest and Confidentiality policy statements of the Corporation, as well as any additional policies established by the Board from time to time.
- 2.07. Annual and Regular Meetings. The annual meeting of the Board of Directors shall be held during the last quarter of the fiscal year on a date selected by the Board for the purpose of appointing officers, electing Directors and for the transaction of such other business as may come before the meeting. The place of such annual meeting shall be as designated by the Board of Directors. There shall be at least ten (10) other regular meetings of the Board held each year, with the place, time and date of such regular meetings to be established by the Board. All regular meetings of the Board of Directors shall comply with all aspects of Wisconsin open meeting laws detailed in Wis. Stats. Section 19.80 and all notice requirements set forth in Wis. Stats. Chapter 181, including without limitation Section 181.0822.
- 2.08. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chair of the Board or any two Directors. The Chair of the Board or the Directors calling any special meeting of the Board of Directors may fix any place, either within or without the State of Wisconsin, as the place for holding any special meeting of the Board of Directors called by them, and if no other place is fixed, the place of meeting shall be the principal office of the Corporation in the State of Wisconsin. All special meetings of the Board of Directors shall comply with all aspects of Wisconsin open meeting laws detailed in Wis. Stats. Section 19.80 and all notice requirements set forth in Wis. Stats. Chapter 181, including without limitation Section 181.0822.
- 2.09. Notice; Waiver. Notice of each meeting of the Board of Directors shall be given to each Director (i) by written notice delivered personally or mailed or given by facsimile, e-mail or other form of wire or wireless transmission to such Director at his or her business address, e-mail address, facsimile number, or at such other address as such Director shall have designated in writing and filed with the Secretary, or (ii) by word of mouth or telephone

personally to such Director, in each case not less than that number of days prior thereto as set forth herein. Pursuant to Wis. Stats. 181.0822, in corporations without members, any board action to remove a director or to approve a matter that would require approval by the members if the corporation had members, shall not be valid unless each director is given at least seven (7) days' written notice that the matter will be voted upon at a board meeting or unless notice is waived under Wis. Stats. 181.0823. Accordingly, at least seven (7) days' notice shall be given to Directors when an action subject to Wis. Stats. 181.0822 is on the agenda. For all other special meetings, at least two (2) days' notice to Directors is required. The business to be transacted at, or the purpose of, any special meeting of the Board shall be specified in the notice. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by facsimile, e-mail, or other form of wire or wireless transmission, it shall be deemed delivered when transmitted. Whenever any notice whatever is required to be given to any Director of the Corporation under the Articles of Incorporation or By-laws or any provision of law, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the Director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting and objects thereto to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, except if the meeting agenda contains a matter specified in Wis. Stats. Section 181.0822(3), in which case the meeting notice shall indicate that such matter will be voted upon at the meeting.

- 2.10. Quorum. Except as otherwise provided by law or by the Articles of Incorporation or these By-laws, a majority of Directors currently sitting on the Board shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Discussions may be held but no action (other than adjourning the meeting) may be taken at a regular or special meeting of the Board unless a quorum is present. A majority of the Directors present (though less than such quorum) may adjourn the meeting from time to time without further notice.
- 2.11. Manner of Acting; No Proxies. 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 or by the Articles of Incorporation or these By-laws. There shall be no proxies. At any meeting of the Board, a Director must present their own vote by voice, hand or ballot. This provision is not intended to prevent telephonic or electronic voting.
- 2.12. Conduct of Meetings. The Chair of the Board or in his/her absence, the Vice Chair, and in their absence, any Director chosen by the Directors present, shall call meetings of the Board of Directors to order and shall act as Chair of the meeting. The Secretary of the Corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any Assistant Secretary or any Director or other person present to act as secretary of the meeting.
- 2.13. Meeting Participation Via Technology. Directors may participate in a meeting from a remote location by using any means of communication by which (i) all participating Directors may simultaneously hear or read each other's communications during the meeting, (ii) all communication during the meeting is immediately transmitted to each participating Director, and (iii) each participating Director is able to immediately send messages to all other participating Directors. A Director participating in a meeting by this means is deemed to be present in person at the meeting.
- 2.14. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors or a committee thereof of which he/she is a member at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the minutes of the meeting or unless he/she files his/her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards such dissent by registered mail to the Secretary of the

Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

- 2.15. Action Without Meeting. Any action required or permitted by the Articles of Incorporation or By-laws or any provision of law to be taken by the Board of Directors or any committee thereof at a meeting or by resolution may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by not less than two-thirds (2/3) of all of the Directors or members of such committee entitled to vote with respect to such action. The resolution shall be transmitted to all Directors by mail, electronic mail or facsimile, and Directors shall be allowed to submit a signed resolution in person or through mail, electronic mail or facsimile. If the resolution is adopted, all Directors (including those who did not vote or voted against the resolution) shall be notified of the approval. Such notification may also be by mail, electronic mail or facsimile. Any action taken by written consent without a meeting shall be referenced in the minutes of the next Board meeting and a copy of the consent resolution shall be kept in the corporate records.
- 2.16 Conflict of Interest. The Corporation desires to limit third party agreements to those that are negotiated at arms length with terms fair and reasonable to the Corporation. A potential conflict of interest exists if a contract or transaction is proposed between the Corporation and any of the following: a Director, a member of a Director's immediate family (spouse, parents, children, brothers and sisters) or an entity in which a Director or member of its immediate family holds an ownership interest or governance position. If a contract or transaction is proposed in which a Director (or family member or related entity as described above) has a personal or material financial interest, the Director shall promptly disclose the material facts of such matter and potential conflict in writing to the Secretary for distribution to all Directors. When any conflict of interest becomes relevant to any subject requiring action by the Board or any of its duly constituted committees, the Director having the conflict shall not vote on the subject. A Director who is excluded from voting shall briefly state the nature of the conflict and answer relevant questions of other Directors, but shall not otherwise attempt to influence the vote. The Director shall be required to leave the room during the vote so as not to inadvertently influence the vote. Minutes of the meeting shall reflect that disclosure of a conflict of interest has been made and that such Director abstained from voting and left the meeting room during the vote.

ARTICLE III. COMMITTEES

- 3.01. Governance Committee. There shall be a standing nominating committee, known as the Governance Committee. This committee shall be composed of 2-4 persons recommended by the Chair and elected by the Board of Directors at its annual meeting. Each committee member shall serve a term of two (2) years, and these terms shall be staggered to ensure continuity of committee membership. The committee shall elect its own chair. The duties of the Governance Committee shall consist of: (a) to study the qualifications of candidates and present a slate of the best qualified as nominees for the vacant Director positions on the Board; (b) to present a slate of nominees for Officers to the Board for election at the annual meeting; (c) to recommend candidates to the Board to fill vacancies that arise outside the regular nominating process; (d) to provide ongoing orientation to Directors; (e) to oversee a Director assessment process to ensure optimum performance; and to recommend the appointment of a past Chair to the Board, if necessary, in the interests of continuity.
- 3.02. Other Committees. The Chair shall recommend committees or task forces of the Board, except the Governance Committee. Committees will be approved by majority vote of the Board and may be composed of Directors or community members, or both except for the Governance Committee, which will only have membership from the Board. Notwithstanding anything to the contrary herein, all committees must have at least three (3) Directors as required by Wis. Stats. Section 181.0825. The Board may prescribe the need and/or the composition of such

committees. A committee may not exercise authority on behalf of the Board outside the limited scope of its commission unless specifically authorized by the Board in a properly approved resolution.

ARTICLE IV. OFFICERS

- 4.01. Number. The principal officers of the Corporation shall be a Chair of the Board, a Vice Chair, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. The duties of the officers shall be those enumerated herein and any further duties designated by the Board of Directors.
- 4.02. Election and Term of Office. The Governance Committee shall present a slate of Officers to the Board of Directors. The nominated Officers shall be drawn from among the members of the Board of Directors. The officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his/her successor shall have been duly elected or until his/her prior death, resignation or removal.
- 4.03. Removal. Any Officer may be removed by a majority vote of the entire current Board of Directors pursuant to Section 2.04 above, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election of an officer shall not of itself create contract rights.
- 4.04. Vacancies. A vacancy in any principal office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.
- 4.05. Chair of the Board. The Chair of the Board shall preside at all meetings of the Board of Directors and shall have such further and other authority, responsibility and duties as may be granted to or imposed upon him/her by the Board of Directors.
- 4.06. Vice Chair. In the absence of the Chair of the Board or in the event of his/her death, inability or refusal to act, or in the event for any reason it shall be impracticable for the Chair to act personally, the Vice Chair shall perform the duties of the Chair and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. Any Vice Chair shall perform such duties as from time to time may be assigned to him/her by the Board of Directors.
- 4.07. Secretary. The Secretary shall: (a) keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the corporate records; (d) keep a current register of the name, address, phone number and electronic mail address of each Director; and (e) in general perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned to him/her by the Chair or by the Board of Directors.
- 4.08. Treasurer. The Treasurer shall: (a) have charge and custody and be responsible for all funds and securities of the Corporation; (b) keep full and accurate records of receipts and disbursements, assets and liabilities in the books of the Corporation (including receiving and giving receipts for moneys due and payable to the Corporation from any source whatsoever), (c) deposit all corporate funds in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board; and (d) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned to him/her by the Chair or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

ARTICLE V. STAFF

- 5.01. The Board of Directors shall have the discretion to appoint Milwaukee Excellence's Executive Director, who shall be responsible for carrying out the work of Milwaukee Excellence in accordance with the policies established by the Board of Directors.

ARTICLE VI. ADMINISTRATION

- 6.01. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. In the absence of other designation, all deeds, mortgages, contracts, and instruments of assignment or pledge made by the Corporation shall be executed in the name of the Corporation by the Chair alone or by any two of these Officers: the Vice Chair; the Secretary or the Treasurer; and when so executed no other party to such instrument or any third party shall be required to make any inquiry into the authority of the signing officer or officers.
- 6.02. Loans. No indebtedness for borrowed money shall be contracted on behalf of the Corporation and no evidences of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.
- 6.03. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner, including by means of facsimile signatures, as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.
- 6.04. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Directors.
- 6.05. Agents. The Corporation is authorized and empowered to retain such agents, attorneys, accountants, investment counsel and other qualified firms or persons as the Board shall determine and document by resolution.
- 6.06. Tax-Exempt Status. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, its Officers, Directors or other private persons, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these By-laws and the Articles of Incorporation. Notwithstanding any other provision of these By-laws, the Corporation shall not possess or exercise any power or authority, whether expressly, by interpretation, or by operation of law, that would pose a substantial risk of preventing it at any time from qualifying and continuing to qualify as a tax-exempt entity described in Section 501(c)(3) of the Code, nor shall the Corporation engage directly or indirectly in any activity that would pose a substantial risk of causing the loss of such qualification under Section 501(c)(3) of the Code.
- 6.07. Non-Discrimination. The Corporation shall not directly or indirectly discriminate against any person or organization for reason of race, gender, age, religion, disability, national origin, ancestry, marital status or sexual orientation.

ARTICLE VII. INDEMNIFICATION AND INSURANCE

- 7.01 Indemnification. The Corporation shall indemnify a Director or Officer in accordance with Wisconsin law. If the Directors approve by resolution, such indemnification may include reasonable attorneys' fees and expenses actually and necessarily incurred in defense of an action, suit or proceeding brought against such a person. The Corporation may, but is not required to, provide or supplement such indemnification through liability insurance carried by the Corporation.
- 7.02. Maintenance of Insurance. The Corporation may, by its Board of Directors, purchase and maintain insurance on behalf of any person who is a Director, officer, employee or agent of the Corporation against liability asserted against and incurred by the person in his or her capacity as a director, officer, employee or agent, or arising from his/her status as a director, officer, employee or agent, regardless of whether the Corporation is required or authorized to indemnify the person against the same liability.

ARTICLE VIII. GENERAL

- 8.01. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July and end on the last day of June each year.
- 8.02. Writing. The terms "in writing" or "written" as used within these by-Laws include communications that are transmitted or received by electronic means.
- 8.03. Sign. The word "sign" as used within these By-Laws includes executing an electronic signature.

ARTICLE IX. RULES OF ORDER

- 9.01 Rules of Order. In case of conflict or challenge, the rules of order in the current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Corporation.

ARTICLE X. DISSOLUTION

- 10.01. Dissolution. Upon the dissolution of the Corporation, the Board shall, after paying or making provisions for the payment of all of the liabilities of the Corporation, distribute all of the assets of the Corporation in such manner as the Board of Directors shall determine (subject to any applicable requirements of Chapter 118 of the Wisconsin Statutes and the charter issued to the Corporation), provided such assets are conveyed to one or more organizations that are organized and operated exclusively for exempt purposes under Section 501(c)(3) of the Code, or corresponding provisions of any subsequent federal tax laws, or to a State or a political subdivision of a State as defined in Section 170(c)(1) of the Code.

ARTICLE XI. AMENDMENTS

- 11.01. By Directors. These by-laws may be altered, amended or repealed and new by-laws may be adopted by the Board of Directors by affirmative vote of two-thirds of the number of Directors present at any meeting at which a quorum

is in attendance, provided that at least seven (7) days written notice is given to all Directors of the planned vote, and the proposed changes are distributed in such notice.

CERTIFICATION

These By-laws were approved at a meeting of the Board of Directors on _____, 20__.

Secretary

Date

Milwaukee Excellence Conflict of Interest Policy

Article I Purpose

The purpose of the Conflict of Interest Policy is to protect this tax-exempt organization Milwaukee Excellence's ("Organization") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Trustee or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II Definitions

1. **Interested Person:** Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
 - b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III Procedures

1. **Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Trustees and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
2. **Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. **Procedures for Addressing the Conflict of Interest**
 - a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the governing board or committee shall determine whether the Milwaukee Excellence can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Article IV
Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**Article V
Compensation**

1. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Article VI
Annual Statements**

Each Trustee, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Article VII
Periodic Reviews**

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in impermissible private benefit or an excess benefit transaction.

Article VIII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

