

BYLAWS OF THE CLAN WALLACE SOCIETY WORLDWIDE

ARTICLE ONE

Seal

The corporate seal of this Society shall be circular, having around the outer edge the words, “CLAN WALLACE SOCIETY”, and in the center, “PRO LIBERTATE.” The Board of Directors of this Society shall alone have the authority to change this form of seal at any time and at their discretion, especially to conform with the possible registration or matriculation of the arms of this Society with the Lord Lyon King of Arms in Scotland, and with any approval necessary from Wallace of that Ilk, Chief of the Name, Clan, and Family of Wallace.

ARTICLE TWO

Clan Badge

Surrounded by the strap-and-buckle circlet, upon a crest coronet a dexter Arm vambraced argent, the Hand proper brandishing a sword, Hilt or, all proper. (A right arm in silver armour, the bare hand brandishing a sword with a gold hilt.)



ARTICLE THREE

Purpose

The purposes of the Corporation are educational, with particular reference to the history of Scotland, its public figures such as Sir William Wallace, the national hero of Scotland who suffered martyrdom for his country in 1305; and with particular reference to writings for publications, including the reprinting of articles and books now out of print concerning the history of Scotland, and particularly to the Clan and Family of Wallace; and with particular reference toward the collection, restoration, and preservation of places and objects of interest to the public generally, and particularly to the Clan and Family of Wallace. These educational functions will be carried out with the clear understanding that the results thereof will be made available to the public in general, and particularly to the Clan and Family of Wallace, for their better education concerning the subject matter, and provided further that no private individual shall ever benefit directly from such acts.

ARTICLE FOUR

Membership

Membership in Clan Wallace Society shall be available to all persons worldwide, regardless of age, race, heritage, or sex. The Society shall be composed of the four membership categories listed below. The memberships in this Corporation are not transferable or refundable.

A. Annual Membership

Individuals may become Annual Members by proper application and contribution of \$20.00 (US) annually to the Society. Annual Members will have no vote, may not nominate Directors for election, and may not hold office or serve on the Board of Directors. Annual members shall have all other privileges, rights, and benefits of the Society.

B. Life Membership

Individuals may become a Life Member by proper application and a contribution of \$175.00 (US) to the Society. Once accepted as a Life Member, no annual membership fees are required. Life Members will have no vote, may not nominate Directors for election, and may not hold office or serve on the Board of Directors. Life Members shall have all rights and privileges of Annual Members. Life Members may upgrade to Council Member by proper application and an additional contribution of \$175.00 (US) to the Society.

C. Council Membership

Individuals may become a Council Member by proper application and a contribution of \$350.00 (US) to the Society. Once accepted as a Council Member, no annual membership fees are required. In addition to the rights and privileges of Annual and Life Members, Council Members are permitted to nominate other Council Members as Directors for election; vote in the annual elections of Directors and in other matters as expressly provided for in these Bylaws; and hold office and to serve on the Board of Directors. Council Members are also afforded all other privileges, rights, and benefits of the Society.

D. Honorary Membership

The President and the Board of Directors may reward individuals who are not members of the Society for their contributions to Scotland, the Scottish Heritage, Scottish Organizations or the Society itself by making such non-members Honorary Members of the Society. Such persons shall be presented with appropriate evidence of such membership.

E. Senior Discounts

Individuals who have reached the age of 60 years, will be given a 10 percent Senior Discount off the membership fee for their Life and Council Memberships, and for a membership fee paid on behalf of someone who has reached the age of 60 years. Seniors will not be given a discount for Annual Memberships, or for memberships that they purchase for other individuals under the age of 60 years.

F. Grandfathered Membership

All Life Members and Council Members of Clan Wallace Society Worldwide who hold a valid membership on October 1, 2005, the effective date of this Bylaws Amendment, shall be “Grandfathered” into their current membership levels and shall not be required to ever pay annual dues. However, should a “Grandfathered” Life Member desire to become a Council Member after this date, he/she will be required to apply and donate the \$175.00 (US) assessment for this elevation.

G. Member Benefits

All members of the Clan Wallace Society shall periodically receive the Society Newsletter, “The Guardian.” They shall have access to all Clan and Family of Wallace publications; fellowship where the Society is represented at Scottish and Celtic Festivals and Games, and Clan Wallace Gatherings; and the privilege of becoming a Convenor to represent the Society at said Festivals and Games.

ARTICLE FIVE

Decentralization

It is the avowed purpose of this Society to have its activities by its members and officers decentralized so that such participation is wholly the incentive and expense of the individual at the local level to the greatest extent possible, with as little official action as possible taken at the international level.

ARTICLE SIX

Liability of Members

This Society is a non-profit corporation and is exempt from Federal Income Tax under section 501 (c) (3) of the Internal Revenue Code, as granted by the Internal Revenue Service of the United States Government in June 1966. Its members, Directors, and Officers shall never be personally liable for the organization’s debts or obligations.

ARTICLE SEVEN

Conduct of Business

A. General

All business of the Society shall be conducted strictly in accordance with its stated purpose as set forth in its Articles of Incorporation, within the laws of the State of Texas, and as contained within the laws, rules, and regulations of the United States dealing with tax exempt private corporations, as all such exist now or shall exist in the future, to the end that its ruling be

preserved. The Board may conduct administrative business, make policy, and do decision-making during the year through the use of email, telephone, and other communicative tools as agreed upon by the Board. The verification and ratification of said business will occur at the Annual Directors Meeting.

B. Voting

All business of the Society requiring a decision by vote of the membership consisting of "Annual," "Life," and "Council" Members, shall be referred to the eligible voting membership by mail for action. Each referral packet shall contain a description of the matter under question, a resume and/or background history of the matter under question, a ballot and instructions for completing and processing the ballot, including a "not later than" date when the completed ballot must have been received by the Society Secretary.

C. Quorum and Tie Votes

The number of ballots received by the Society Secretary by the required date shall constitute a quorum of the membership. A majority vote total of those ballots received shall establish the decision of the membership. In the event of a tie vote of the mail ballots received, the issue is automatically disapproved. In all cases, the Secretary's records will show (1) the number of valid mail ballots received; (2) the mail vote totals for and against the issue; and the final resulting action to the proposal, whether approved or disapproved. The mail ballots shall be retained and made available for inspection for a period of three years from the date of the mail vote.

ARTICLE EIGHT

Organizational Structure, Terms of Office, Meetings, and Elections

A. Directors

The affairs of the Society shall be managed and controlled by a Board consisting of eleven elected Directors who are Council members and who do not reside in the same household or residence, and are not related either by marriage or bloodline nor have any other direct family ties to any person currently serving on the Board or seeking election to the Board. The primary activity of the Board of Directors is to establish policy, improve the general administration of the Society, and provide guidance to the Society Officers.

The number of Directors may be changed by the Board only at the Annual Business Meeting of the Board and only by a unanimous vote. Such change will be effective for the next election of Directors. Members of the Board shall also hold the title of Vice President. These Directors will be elected by the Council Members of the Society and shall hold office until their successors are duly elected and qualified, unless sooner removed for cause by a vote of the remaining Directors. Additionally, the Chief of Clan Wallace and his heir shall be considered permanent members of the Board of Directors, without vote or election, and shall not be counted against the said number of Directors.

The Directors are elected for a three-year term of office. Directors may be re-elected for a maximum of two additional three-year terms. Upon completion of the third term or a total of length of service of nine years, the Director shall vacate his position on the Board of Directors and will not be eligible for consideration for re-election until a minimum of three years after leaving the Board of Directors. The Board of Directors shall determine how the incumbent Directors shall have their terms of office staggered so that thereafter, Directors, as required, are elected annually to fill expiring terms.

B. Officers

The elected officers of the Society shall be the President, Executive Vice President, Secretary and Treasurer. All officers must be elected Directors of the Clan Wallace Society. Only the office of Secretary and Treasurer may be combined and held by one person if approved and so voted by the Board of Directors. The incumbent of the combined office shall perform all the duties as may be required by the Board of Directors. The Chief of Clan Wallace, Wallace of that Ilk, shall be honorary President of the Society. The Board of Directors may provide for such other officers as it shall deem necessary, and the Board of Directors may provide for an Advisory Board of Directors.

C. Duties of the Elected Officers

1. President

It shall be the duty of the President to preside at all meetings of the Board of Directors, oversee all voting on issues by membership ballot and elections; have the general supervision of, and provide general direction to the other officers of the Society in carrying out the policy as established by the Board of Directors; and as Chief Executive Officer of the Society, be responsible for the transaction of all business pertaining to the Society. The President shall insure that all debts and liabilities of the Society are paid from funds of the Society. The President may sign or countersign checks, drafts or notes pertaining to and concerning the business of the Society.

2. Executive Vice President

It shall be the duty of the Executive Vice President to perform all of the duties of the President in the absence or disability of the latter. This officer shall perform such other duties as may be assigned him by the President or the Board of Directors. The Executive Vice President may sign or countersign checks, drafts or notes pertaining to and concerning the business of the Society.

3. Secretary

The Secretary shall keep all the records of the corporation and the minutes of all meetings of the Board of Directors, shall sign and attest in conjunction with the President such instruments that require such signatures and corporate seal, and shall make such reports and perform such other duties as are incident to that office, or as properly required of him/her by the President or Board of Directors. The Secretary may sign or countersign checks, drafts or notes pertaining to and concerning the business of the Society.

4. Treasurer

The Treasurer shall have custody of all monies and securities of the Society, keeping the same in such bank or banks or place of deposit as directed by the Board of Directors, and shall keep regular books of account and balance the same each month. He/she may sign or countersign instruments as require the signature of the Treasurer. The Treasurer shall reimburse the Secretary, Newsletter Manager, Director of Convenor Affairs, Recognition Program Director, Officers and Committee Chairpersons for justified and validated monies spent in the conduct of business for the benefit of the membership. The Treasurer shall also perform duties incident to that office as are properly required by the President or the Board of Directors.

D. Operations

1. Term of Office

The Term of office for Officers begins on 1 January of the calendar year following the year they were elected, and ends on 31 December of the same year. The President will be elected by a vote of the Directors for a term of one year. The incumbent President may be re-elected by the Board for a maximum of two additional one-year terms for a total length of office of three years. If the incumbent still occupies a position as Director after vacating the Office of President, the incumbent may continue to serve in that capacity until either their current term or total allowable term as a Director is complete and a replacement Director is elected.

An outgoing President, who continues to serve on the Board of Directors, may not be considered for re-election as President until a minimum period of three years has elapsed since vacating the Office of President. The term of office for the Executive Vice President, the Secretary and the Treasurer, or both when the offices of Secretary and Treasurer are combined, shall be limited only to the length of time the incumbent(s) have remaining in their terms as elected Directors. The term of office for Directors begins on 1 January of the year following their election and ends on 31 December three years later.

2. Meetings

a. Meetings of Members

Social meetings of the Members of the Society at various times and locations throughout the year are highly encouraged. Through these meetings, the membership of the Society will become better acquainted and more firmly establish the bonds of fraternal friendship and respect.

b. Meetings of The Board of Directors

The Board of Directors will meet annually for the purpose of electing officers, and the verification and ratification of business conducted by the balloting of members as provided for under ARTICLE SEVEN, Section A, "General." Special meetings of the Board of Directors may be called upon reasonable notice by the

President, or in writing by two-thirds of the Directors upon reasonable notice, and at such reasonable time and place. At such special meetings, only such matters that are specifically mentioned in the notice for said meeting should be discussed or decided upon. At such meetings, a quorum shall be a majority plus one; however, Directors may forward proxies or be represented by attorneys-in-fact.

3. Elections

a. Scope

The only elections that require membership participation are those for electing members of the Board of Directors. Voting for and election to the Board of Directors is restricted to Council Members. No person can be elected to the Board of Directors if they do not hold a Council membership. Subsequently, no election of Officers can be accomplished until after the Board of Directors is selected. Thereafter, by ballot, the Board of Directors will select a President, Executive Vice President, Secretary and Treasurer.

b. Secretary

The Secretary will prepare and mail the nomination forms to all Council members; assemble, print and mail the summary biographies of both incumbent and potential Directors to all Council members; and prepare and mail ballots to all Council members.

c. Election Committee

The election for the Board of Directors shall be conducted by a Committee of three to five Council Members not running for this position in the current election. The Chairperson of the election committee will be appointed by the President and confirmed by the sitting Board of Directors. The remaining members of the election committee will be appointed by said the Committee Chairperson. The election committee will receive, open, count, record and return the ballots to the Secretary, who will maintain the ballots for three years. The election committee will certify the results of the balloting to the President and the Secretary.

d. Nominations

The period for the nominations for the position(s) of members of the Board of Directors that will become vacant at the end of the current calendar year opens on 15 July and closes 31 July of each year. During this period the election committee will receive written nominations of Council Members for election to the Board of Directors.

Each nomination shall provide the following required information in this format.

- (1). Full name
- (2). Any nicknames
- (3). Spouse first name
- (4). Mailing address
- (5). Home telephone number
- (6). Office telephone number (optional)
- (7). Email address (if any)
- (8). Status, i.e. new or incumbent Board Member
- (9). Short resume of Clan Wallace activities
- (10). Company or organization for which you work (optional)
- (11). Primary business of this organization (optional)
- (12). Hobbies, special interest, and other Scottish Activity
- (13). Particular areas of interest in Clan Wallace
- (14). Statement that the nominee is at least 21 years of age.

Each nomination form for new Board Members will contain the printed name, signature, address, telephone number, and email address for a sponsoring Council Member who is submitting the nomination. Submission of a nomination form for an incumbent Director may be made directly by the incumbent and does not require a sponsoring signature.

The nomination must be accompanied by a cover letter from the sponsor stating that the nominee is aware of their nomination, has read the Job Description for Board of Directors, and agrees to accept the position if he or she is elected and to meet all obligations and responsibilities of the position to the best of his ability.

e. Balloting

The nomination lists will close as of midnight, 31 July. Any nominations received after that time, will be returned unopened, if possible, to the sender with the notification that it arrived after the nominations list had closed. By not later than 10 August, the Secretary will have prepared ballot packages containing:

- (1) The nomination form for each nominee and a brief (not to exceed one page) personal history;
- (2) A ballot form providing voting instructions not later than 31 August. Each Council Member shall be mailed the ballot package by first class mail by 10 August. The ballot envelope shall be clearly marked "Ballot". The cut-off date for return of ballots is midnight of the thirtieth (30th) day after the mailing. Any ballot received after that time will be held unopened and shall not be used in the tally of votes. The total number of ballots received by the cut-off date shall constitute a quorum. Within seven days after the cut-off date the votes shall be tallied and the nominees, either three or four in

number, as appropriate, who received the largest number of votes, shall be declared as elected to the Board of Directors for the ensuing term. The Secretary shall notify all Director nominees of the results.

f. Election of Officers

Following the election of the Board of Directors, the new Board shall convene for the purpose of electing Officers for the ensuing term. The Board will normally convene at the Annual Directors Meeting. If for some unforeseen reason an annual meeting cannot be conducted, the election of Officers may be conducted by consent via telephone or email. In either case, a majority of the Board of Directors must be involved for the election of Officers to be valid.

g. Notification of Membership

When the composition of the new Board of Directors and slate of Officers is determined, the general membership will be advised prior to 1 January of the ensuing year when the terms of all Officers and Board Members will begin. The Secretary shall accomplish this by preparing an announcement to be published in the Society Newsletter.

E. Appointments

The President may establish an Advisory Board consisting of either Life or Council Members, or both. The members of the Advisory Board will have no vote, and will serve at the pleasure of the President. The President may also appoint Assistant Vice-Presidents to the Society. These Assistant Vice Presidents shall be Council Members of the Society, but shall have no vote, and will serve at the pleasure of the President. The President may also appoint, as needed, Regional Commissioners who can be either Life or Council Members. Their duties will be to act as a point-of-contact for Convenors in their region, assist in coordinating activities, and distribute Society materials. Regional Commissioners shall serve at the pleasure of the President.

F. Vacancies of Officers and/or Directors

Any vacancy that may emerge within the Board of Directors or Officers of the Society may be filled by appointment by the President, with the approval of the Board of Directors. At the next year's elections, the Board of Directors will elect a permanent replacement.

ARTICLE NINE

Financial Structure

The goal of the Society is to sustain the Corporation by maintaining a financial structure through an active program of membership recruitment, individual donations, and endowments that will underwrite operating expenses, provide for investment, and reassure achieving the purposes and missions of the Society.

A. Income

The source of income of the Corporation will come from tax deductible contributions made for membership, donations, endowments, and the sale of Wallace genealogical materials. The Corporation shall never issue certificates for shares of stock.

B. Budget

After the completion of the elections, the President shall promptly submit a budget to the Board of Directors for the ensuing calendar year detailing anticipated expenditures and an estimate of income for the Board's consideration and approval. If there is a shortfall of income as relates to proposed expenditures, then an explanation of where and how the additional income required will be generated will be included.

C. Trust and Investment Funds

Within the terms of the rules and regulations of the Internal Revenue Service, and within the terms of non-profit laws of the State of Texas, the Corporate Board of Directors shall develop a policy for establishing trust and investment funds to ensure the funds of the Society are preserved, invested such that the expenditures of the Society are paid out of that income to the greatest extent possible, and have full accountability. Funds from the trust income are available for such matters as scholarships, printing of genealogical materials such as the Society has made available for purchase, and improvement of historical sites and monuments and like expenditures. Expenditures for programs, trophies, games and gatherings, particularly where it may be likely that individual officials of the Society could personally benefit more than the Society itself, shall be minimized. At no time shall any member of the Society hold Society funds in any personal account. All funds shall remain in the ownership of the Clan Wallace Society Worldwide. A full financial report shall be made to the Board and the full membership annually. This report may be provided in the Society Newsletter.

D. Conflict of Interest

The Board and Officials of this Society shall avoid every and any appearance of conflict of interest, and shall take all steps to ensure that the expenditures of the Society do not benefit any person directly or indirectly, provided however, that the Board as such may take official action in which some official may get or receive indirectly and incidentally some small benefit therefrom.

E. Disbursement of Funds

The Treasurer has the authority to sign checks, drafts, or notes as described in ARTICLE EIGHT, Section C.4. However, the President shall approve checks, drafts, and notes and expenditures exceeding \$500. Expenditures exceeding \$1000 shall require approval by a majority of the Board of Directors, and the signature of two (2) elected Officers.

F. Audits/Financial Reviews

Periodic audits/financial reviews may be conducted of Society Funds internally by the Board, or by other members of the Society, especially upon changes in the Office of the Treasurer. To this end, proper formal audits and bonds may be required. Any costs for such audits and bonds will be at the expense of the Society.

ARTICLE TEN

Records Disposition

The History of Clan Wallace Society Worldwide shall be preserved. Corporation administrative records relating to the Board of Directors election process shall be retained for 3-years. Corporation business, financial, policy, committee, and meeting records shall be assembled at the end of each calendar year for storage at a library or records repository determined by the sitting Board of Directors. The original, signed documents of these records shall be delivered to the selected repository for "permanent" storage and historical reference. A copy of these documents shall also be kept in the Secretary's records for 3-years, and be made readily available for access by the Board and the membership.

ARTICLE ELEVEN

Liquidation or Dissolution

The Clan Wallace Society is a tax-exempt 501 (c) (3) non-profit corporation and no salaries or dividends shall ever be paid, and no part of the income of the Corporation shall ever be distributed to or inure to the benefit of its members, Directors, or Officers. Any and all funds or other property remaining upon liquidation or dissolution for any reason shall be distributed as determined by the Board of Directors.

ARTICLE TWELVE

Bylaws

Thenceforth, these Bylaws may be amended by a majority vote of those Council Members voting in accordance with the voting procedures contained in paragraphs "B" and "C" of ARTICLE SEVEN. All proposed changes to these Bylaws shall be provided to all Council Members at least thirty (30) days prior to the mailing date for the ballots for the vote. This may be accomplished utilizing either the Society Newsletter or by means of an information packet sent by first class mail. In either case, the information notice will advise of the planned mailing date of the ballots.

Certificate of Amendment

This is to certify that the original Bylaws of Clan Wallace Society were wholly replaced and amended by duly substituting the above and foregoing therefore, this the 1st day of October A.D. 2005, provided, however, that no objection is raised thereto by either the appropriate Federal authorities or the State of Texas, in which event the original Bylaws shall remain in full force and effect.

Attest:

Board of Directors

Board Member _____ Board Member _____

Board Member _____ Board Member _____

Board Member _____ Board Member _____

Board Member _____ Board Member _____

Board Member _____ Board Member _____

Board Member _____

Attest:

President, Clan Wallace Society

Legal Commissioner, Clan Wallace Society