

**BYLAWS**  
**OF**  
**NORTH CAROLINA EMPLOYEE OWNERSHIP CENTER, INC.**

ARTICLE -- 1 -- NAME, OFFICES AND PURPOSES

Section 1.      Name. The name of the corporation shall be North Carolina Employee Ownership Center, Inc., hereinafter referred to as the “corporation.”

Section 2.      Principal Office. The principal office of the corporation shall be located at 2018 Wilson Street, Durham, Durham County, NC 27705-3224, which shall also be the registered office of the corporation.

Section 3.      Other Offices. The corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may from time to time determine.

Section 4.      Purposes. The purposes of the corporation are as stated in the Articles of Incorporation.

ARTICLE -- 2 -- BOARD OF DIRECTORS

Section 1.      General Powers. The affairs of the corporation shall be managed by the Board of Directors in accordance with the provisions of applicable law, the Articles of Incorporation and these bylaws.

Section 2.      Number, Term and Qualification. The number of Directors of the corporation shall be not less than three (3) nor more than fifteen (15). The Directors at any annual meeting may by resolution fix the number of Directors to be elected at the meeting; but in the absence of such resolution, the number of Directors elected at the meeting shall constitute the number of Directors of the corporation until the next annual meeting of Directors, unless the number is changed by action of the Directors. Each Director shall hold office until the next annual meeting of the Directors and until a successor is elected and qualifies. Directors need not be residents of the State of North Carolina. At least two Members of the Board of Directors shall be executive officers of a company with its principal office in North Carolina that has established an Employee Stock Ownership Plan or worker cooperative for the benefit of its employees. The Board will make every effort to ensure that at least one Director represents a rural area of North Carolina and at least a third of Directors are African-American, Latino, or another ethnic minority.

Section 3.      Election of Directors. Directors shall be elected at any annual or special meeting of the Board of Directors by a vote of a majority of the Directors at the time in office. The election of Directors shall be a part of the order of business of each annual meeting of the Board of Directors.

Section 4.      Removal. Directors may be removed from office at any time with or without cause by the Directors by the vote that would be required to elect the Director to the

Board of Directors. If a Director is removed, a new Director may be elected to fill the vacancy at the same meeting. Causes for removal include but are not limited to missing two consecutive meetings without written notice or breach of confidentiality.

Section 5. Resignation. A Director may resign at any time by communicating such resignation to the Board of Directors, its presiding officer or to the corporation. The resignation is effective when communicated unless the notice specifies a later effective date or subsequent event upon which it will become effective.

Section 6. Compensation of Directors. Directors shall receive no compensation for their services as Directors or as committee members. However, the Corporation may compensate a Director for providing services to the Corporation in any other capacity, including that of paid officer, employee, or agent of the Corporation. Directors who serve as paid officers, employees, or agents of the Corporation shall not participate in any vote of the Board with respect to their compensation. Subject to any policy adopted by the Board, Directors may be reimbursed for reasonable expenses paid or incurred on behalf of the Corporation.

Section 7. Vacancies. A vacancy occurring in the Board of Directors may be filled by a majority of the remaining Directors (but not less than two) at any regular meeting or special meeting of the Board.

### ARTICLE -- 3 -- MEETINGS OF DIRECTORS

Section 1. Annual Meeting. The annual meeting of the Board of Directors shall be held in the month of May of each year for the purpose of electing Directors and officers of the corporation and the transaction of such other business as may be properly brought before the meeting. If the annual meeting is not held as designated by these bylaws, a substitute annual meeting may be called by or at the request of the Board of Directors, and such meeting shall be designated and treated for all purposes as the annual meeting.

Section 2. Special Meeting. Special meetings of the Board of Directors may be called by or at the request of the Chairperson, the Executive Director (if any) or any two Directors.

Section 3. Place of Meetings. Meetings of the Board of Directors may be held at the principal office of the corporation or at such other place, either within or without the State of North Carolina, as shall either (i) be designated in the notice of the meeting or (ii) be agreed upon at or before the meeting by a majority of the Directors then in office.

Section 4. Notice of Meetings. The Secretary or other person or persons calling a meeting for which notice is required shall give notice by postal or electronic mail at least five days before the meeting. Unless otherwise indicated in the notice, any and all business may be transacted at a meeting of the Board of Directors. Attendance by a Director at a meeting shall constitute a waiver of notice, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called.

Section 5. Quorum. A majority of the Directors in office immediately before a meeting begins shall constitute a quorum for the transaction of business at a meeting of the Board of Directors.

Section 6. Manner of Acting. Except as otherwise provided by law or in the bylaws, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 7. Action Without Meeting. Action taken by a majority of the Directors or members of a committee without a meeting is nevertheless Board or committee action if written consent to the action in question is signed by all of the Directors or members of the committee, as the case may be, and filed with the minutes of the proceedings of the Board or committee, whether done before or after the action is taken. Such written consent may be obtained in electronic form and delivered by electronic means.

Section 8. Meeting by Conference Telephone. Any one or more Directors or members of a committee may participate in a meeting of the Board or committee by means of a conference telephone or similar communications device which allows all Directors participating in the meeting to simultaneously hear each other during the meeting, and such participation in a meeting shall be deemed presence in person at such meeting.

#### ARTICLE -- 4-- COMMITTEES

Section 1. Executive Committee. The Board of Directors, by resolution adopted by a majority of the number of Directors then in office, may designate two or more Directors to constitute an Executive Committee, which shall have and may exercise the authority of the Board in the management of the business and affairs of corporation during intervals between meetings. Vacancies in the membership of the Executive Committee shall be filled by a majority of the whole Board of Directors at a regular meeting or at a special meeting called for that purpose. The Executive Committee shall keep minutes of its proceedings and shall report to the Board of Directors on action taken. Minutes of meetings of the Executive Committee shall be prepared and kept with the records of the corporation.

Section 2. Standing or Other Committees. Standing or other committees having two or more members may be designated by a resolution adopted by a majority of the number of Directors then in office. Vacancies in the membership of such committees shall be filled by appointment made in the same manner as provided in the case of the original appointment.

Section 3. Committee Authority. No committees of the Board (including the Executive Committee) shall be authorized to take the following actions:

- (a) Authorize distributions to or for the benefit of the Directors or officers;
- (b) Approve dissolution, merger or the sale, pledge, or transfer of all or substantially all of the corporation's assets;
- (c) Elect, appoint or remove Directors, or fill vacancies on the Board of Directors or on any of its committees, or
- (d) Adopt, amend, or repeal the Articles of Incorporation or bylaws.

## ARTICLE -- 5 -- OFFICERS

Section 1. Titles. The officers of the corporation shall be a Chairperson of the Board of Directors, a Vice Chairperson of the Board of Directors, a Secretary and a Treasurer. The Board of Directors may also elect such other officers as it shall deem necessary. Except as otherwise provided in these bylaws, any additional officers shall have the authority and perform the duties as from time to time may be prescribed by the Board of Directors. Any two or more offices may be held by the same individual, but no officer may act in more than one capacity where action of two or more officers is required.

Section 2. Election and Term. The officers of the corporation shall be elected by the Board of Directors at the annual meeting. Each officer shall hold office until the next annual meeting and until a successor is elected and qualifies.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed at any time by the Board with or without cause. Causes for removal include but are not limited to missing 2 consecutive meetings without written notice or breach of confidentiality.

Section 4. Resignation. An officer or agent may resign at any time by communicating such resignation to the corporation. A resignation is effective when it is communicated unless it specifies in writing a later effective date.

Section 5. Vacancies. Vacancies among the officers may be filled and new offices may be created and filled by the Board of Directors.

Section 6. Chairperson of the Board of Directors. The Chairperson shall preside at meetings of the Board of Directors and shall have such other authority and perform such other duties as the Board of Directors shall designate.

Section 7. Vice Chairperson of the Board of Directors. The Vice Chairperson shall exercise the powers of the Chairperson during that officer's absence or inability to act. Any action taken by the Vice Chairperson in the performance of the duties of the Chairperson shall be presumptive evidence of the absence or inability to act of the Chairperson at the time the action was taken. The Vice Chairperson shall have such other powers and perform such other duties as may be assigned by the Board of Directors.

Section 8. Treasurer. The Treasurer shall have custody of all funds and securities belonging to the corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors; provided, that the Board may appoint a custodian or depository for any such funds or securities, and the Board may designate those persons upon whose signature or authority such funds may be disbursed or transferred. The Treasurer shall in general perform the duties incident to the office and such other duties as may be assigned from time to time by the Chairperson or the Board of Directors.

Section 9. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of the Board of Directors and shall give all notices required by law and these bylaws. The Secretary shall have general charge of the corporate books and records. The Secretary shall sign such instruments as may require the signature of the Secretary and in

general shall perform all the duties incident to the office of Secretary and such other duties as may be assigned from time to time by the Chairperson or by the Board of Directors.

#### ARTICLE -- 6 -- INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. General Policy. It shall be the policy of the corporation to indemnify to the maximum extent permitted by Chapter 55A of the General Statutes of North Carolina any one or more of the Directors, officers, employees, or agents and former Directors, officers, employees, or agents of the corporation, and persons who serve or have served at the request of the corporation as directors, officers, partners, trustees, employees or agents of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, against judgments, penalties, settlements and other liabilities incurred by them in connection with any pending, threatened or completed action, suit or proceeding, whether civil, criminal, investigative or administrative (a “proceeding”) and against reasonable costs and expenses (including attorneys’ fees) in connection with any proceeding, where such liabilities and litigation expenses were incurred incident to the good faith performance of their duties.

Section 2. Use of Corporate Funds. The corporation may advance expenses in connection with any proceeding to any such person in accordance with applicable law. The use of funds of the corporation for indemnification or for purchase and maintenance of insurance for the benefit of the persons designated in Section I of this Article shall be deemed a proper expense of the corporation.

#### ARTICLE -- 7 -- GENERAL PROVISIONS

Section 1. Executive Director. The corporation may, but is not required to, employ a person as the Executive Director of the corporation. The Executive Director, if one is employed by the corporation from time to time, shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the corporation in accordance with these bylaws. The Executive Director shall sign, with any other proper officer, instruments which may be lawfully executed on behalf of the corporation, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution shall be delegated by the Board of Directors to some other person, officer or agent. In general, the Executive Director shall perform all duties incident to the role of Executive Director and such other duties as may be assigned by the Board of Directors from time to time.

Section 2. Waiver of Notice. A Director or other person entitled to receive a notice required to be given under the provisions of these bylaws, the Articles of Incorporation or by applicable law, may waive such notice by signing a written waiver, whether before or after the date and time stated in the notice. The waiver shall be filed with the minutes or corporate records. A Director’s attendance at or participation in a meeting waives any required notice to that Director of the meeting unless the Director at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 3. Checks. All checks, drafts or orders for the payment of money shall be signed by the officer or officers or other individuals that the Board of Directors may from time to time designate.

Section 4. Bond. The Board of Directors may by resolution require any or all officers, agents or employees of the corporation to give bond to the corporation, with sufficient sureties, conditioned upon the faithful performance of the duties of their offices or positions, and to comply with such other conditions as may from time to time be required by the Board.

Section 5. Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 6. Fiscal Year. The fiscal year of the corporation shall be the twelve-month period ending December 31st of each year.

Section 7. Conflict of Interest. A Director shall inform the Board of Directors of any direct or indirect conflict of interest which the Director has with regard to any transaction contemplated by the Board of Directors (a "Conflict of Interest"). A Conflict of Interest shall exist in Board actions including, but not be limited to, actions concerning a transaction:

- (i) in which the Director has a material financial interest, or
- (ii) in which the Director is presently serving as a director, trustee, officer or general partner of another party.

Pursuant to the provisions of Section 55A-8-31 of the General Statutes of North Carolina, the Director may participate in the discussion but may not vote on the transaction and when a Director does not vote because of a Conflict of Interest, the act of the majority of the Directors voting shall be the act of the Board of Directors if a quorum is present at the meeting. The Board shall also adopt a formal Conflict of Interest Policy.

Section 8. Amendments. These bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the entire Board of Directors at any meeting of the Board; provided, that notice of the meeting shall have been given which states that the purpose or one of the purposes of the meeting is to consider a proposed amendment to the bylaws and includes a copy or summary of the proposed amendment or states the general nature of the amendment. Such notice may be waived as provided in these bylaws.

THIS IS TO CERTIFY that the above bylaws of North Carolina Employee Ownership Center, Inc. were duly adopted by the Board of Directors at a meeting held on \_\_\_\_\_, 2019.

This the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

---

Secretary